

STATE OF CALIFORNIA  
Budget Change Proposal - Cover Sheet  
DF-46 (REV 08/15)

Fiscal Year 2016-2017	Business Unit 3720	Department California Coastal Commission	Priority No. 1
Budget Request Name 3720-001-BCP-BR-2016-GB		Program 2730 Coastal Management Program	Subprogram 2730019 LOCAL COASTAL PROGRAM

Budget Request Description  
Local Coastal Programs

Budget Request Summary

- The BCP requests the conversion of the temporary Local Coastal Program (LCP) enhancement pilot program (FY 13-14, FY 14-15, FY 15-16) to baseline funding with 25 permanent staff positions.
- Baseline funding of \$3.0 million General Fund per year in state operations and 25 permanent positions. This core program funding will support the Commission's partnership with local government to accelerate the completion, update and certification of Local Coastal Programs, which are the foundation of California's internationally-recognized coastal management program.
- This Local Coastal Program work will include critical climate change adaptation planning and methods to address projected accelerated sea level rise consistent with Executive Order B-30-15 on climate change and the objectives in the Natural Resources Agency *Safeguarding California Plan*, as well as the mandates of the California Coastal Act.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

☐ FSR ☐ SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By <i>[Signature]</i> Department Director <i>Chub F. [Signature]</i>	Date 12/29/15	Reviewed By <i>[Signature]</i> Agency Secretary <i>[Signature]</i>	Date 12/29/15
	Date 12/29/15		Date 12/31/15

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA Original Signed by  
Amanda Martin Date submitted to the Legislature 1/8/16

# BCP Fiscal Detail Sheet

BCP Title: Local Coastal Program

DP Name: 3720-001-BCP-DP-2016-GB

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	25.0	25.0	25.0	25.0	25.0
<b>Total Positions</b>	<b>0.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>
Salaries and Wages						
Earnings - Permanent	0	1,675	1,675	1,675	1,675	1,675
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$1,675</b>	<b>\$1,675</b>	<b>\$1,675</b>	<b>\$1,675</b>	<b>\$1,675</b>
Total Staff Benefits	0	700	700	700	700	700
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$2,375</b>	<b>\$2,375</b>	<b>\$2,375</b>	<b>\$2,375</b>	<b>\$2,375</b>
Operating Expenses and Equipment						
5301 - General Expense	0	20	20	20	20	20
5302 - Printing	0	17	17	17	17	17
5304 - Communications	0	20	20	20	20	20
5306 - Postage	0	7	7	7	7	7
5320 - Travel: In-State	0	46	46	46	46	46
5322 - Training	0	1	1	1	1	1
5324 - Facilities Operation	0	394	394	394	394	394
5340 - Consulting and Professional Services - Interdepartmental	0	9	9	9	9	9
5340 - Consulting and Professional Services - External	0	37	37	37	37	37
5344 - Consolidated Data Centers	0	22	22	22	22	22
5346 - Information Technology	0	35	35	35	35	35
5368 - Non-Capital Asset Purchases - Equipment	0	6	6	6	6	6
539X - Other	0	11	11	11	11	11
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$625</b>	<b>\$625</b>	<b>\$625</b>	<b>\$625</b>	<b>\$625</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>
<b>Fund Summary</b>						
Fund Source - State Operations						
0001 - General Fund	0	3,000	3,000	3,000	3,000	3,000
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>

**Program Summary**

Program Funding  
2730019 - Local Coastal Program  
**Total All Programs**

0	3,000	3,000	3,000	3,000	3,000
<b>\$0</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$3,000</b>

## Personal Services Details

Positions		Salary Information			<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
		Min	Mid	Max						
0765	- Sr Envirnal Scientist (Spec) (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
1139	- Office Techn (Typing) (Eff. 07-01-2016)				0.0	2.0	2.0	2.0	2.0	2.0
1470	- Assoc Info Sys Analyst (Spec) (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
4726	- Coastal Program Analyst I (Eff. 07-01-2016)				0.0	10.0	10.0	10.0	10.0	10.0
4762	- Coastal Program Analyst III (Eff. 07-01-2016)				0.0	4.0	4.0	4.0	4.0	4.0
4763	- Coastal Program Mgr (Eff. 07-01-2016)				0.0	4.0	4.0	4.0	4.0	4.0
5778	- Atty (Eff. 07-01-2016)				0.0	2.0	2.0	2.0	2.0	2.0
7500	- - C.E.A. - A (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0

**Total Positions**

<b>0.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>
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Salaries and Wages		<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
0765	- Sr Envirnal Scientist (Spec) (Eff. 07-01-2016)	0	80	80	80	80	80
1139	- Office Techn (Typing) (Eff. 07-01-2016)	0	70	70	70	70	70
1470	- Assoc Info Sys Analyst (Spec) (Eff. 07-01-2016)	0	80	80	80	80	80
4726	- Coastal Program Analyst I (Eff. 07-01-2016)	0	500	500	500	500	500
4762	- Coastal Program Analyst III (Eff. 07-01-2016)	0	305	305	305	305	305
4763	- Coastal Program Mgr (Eff. 07-01-2016)	0	340	340	340	340	340
5778	- Atty (Eff. 07-01-2016)	0	200	200	200	200	200
7500	- - C.E.A. - A (Eff. 07-01-2016)	0	100	100	100	100	100
<b>Total Salaries and Wages</b>		<b>\$0</b>	<b>\$1,675</b>	<b>\$1,675</b>	<b>\$1,675</b>	<b>\$1,675</b>	<b>\$1,675</b>

Staff Benefits



5150350 - Health Insurance	0	220	220	220	220	220
5150450 - Medicare Taxation	0	22	22	22	22	22
5150500 - OASDI	0	93	93	93	93	93
5150600 - Retirement - General	0	365	365	365	365	365
<b>Total Staff Benefits</b>	<b>\$0</b>	<b>\$700</b>	<b>\$700</b>	<b>\$700</b>	<b>\$700</b>	<b>\$700</b>
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$2,375</b>	<b>\$2,375</b>	<b>\$2,375</b>	<b>\$2,375</b>	<b>\$2,375</b>

## Analysis of Problem

### A. Budget Request Summary

- This BCP requests \$3.0 million in baseline funding from the General Fund to continue the Commission's Local Coastal Program (LCP) and climate adaptation planning pilot program approved by the Legislature and Governor for the current and last two fiscal years.
- The pilot funding LCP enhancement program (FY 13-14, FY 14-15, and FY 15-16) included 25 limited term positions and \$3 million in state operations. This BCP requests conversion of those 25 positions to permanent baseline positions for the enhancement of Local Coastal Program work. Without this BCP, the \$3 million in enhanced funding and the 25 limited term positions in the current year FY 15-16 budget will expire on June 30, 2016.
- The BCP would support 25 permanent baseline staff positions and operating expenses to complete, update and certify LCPs for 76 coastal cities and counties and implement climate change adaptation planning as directed by Executive Order B-30-15 and the California Natural Resources Agency *Safeguarding California Plan*.
- The BCP would complement and support implementation of the already-approved five years of funding for local assistance grants to local governments for LCP and climate adaption planning work (\$1 million/year for FY 13-14 through FY 17-18). Without the BCP, the objectives of this investment in local planning will not be achieved.
- The BCP would enable the Commission to more effectively address the priority statewide policy concerns of:
  - implementing climate change adaptation, including addressing sea level rise and coastal hazards in the 76 coastal cities and counties;
  - the drought and need for strengthened water resource management in the coastal zone, including planning and expedited local permitting of desalination and other water supply projects;
  - continued protection of California's coastal environment and economy, including providing public coastal access and recreation for all Californians; protecting wetlands, threatened habitats, scenic landscapes, and coastal agriculture; infrastructure, coastal communities, transportation facilities and providing for priority coastal uses, such as tourism, aquaculture, commercial fishing, and recreational boating.
- The BCP will support continued streamlining of LCP planning as documented by the dramatic decrease in LCP amendment processing time over the last two years and the reduction in LCP amendment backlog.
- The BCP will strengthen the collaborative planning partnership between the state and local government and improve coastal management by continuing to build agency capacity and reduce policy and regulatory conflict.
- The BCP will support the completion and certification of long uncertified LCP segments, allowing the appropriate delegation of coastal development permitting workload to local governments and the reallocation of state resources to critical statewide planning and regulatory work.

## Analysis of Problem

- The BCP will build on the significant steps taken under the pilot project to begin and enable the updating and certification of dozens of outdated coastal plans to address the critical policy needs summarized above. The average age of LCPs is nearly 25 years. Out-of-date LCPs create conflict, waste state dollars, and undermine effective coastal resource management. Updated and certified LCPs are critical to California's \$40 billion a year coast and ocean economy. The state is a recognized global leader in effective coastal resource management protection in part because of its effective LCP partnership between the state and local governments.
- This BCP describes results of the (FY 13-14, FY 14-15 and FY 15-16) LCP enhancement pilot program as of August 2015 that show significant progress and forward movement. The pilot clearly showed the complexity of the tasks and processes at the local level and for the Commission and its staff. This BCP includes workload estimates based on experience from the pilot.

## B. Background/History

### The California Coastal Act and the Coastal Commission's Major Responsibilities

The California Coastal Commission is charged with implementing the California Coastal Act of 1976 (<http://www.coastal.ca.gov/coastact.pdf>). The Coastal Act was enacted by the Legislature to carry out the original mandate of Proposition 20, which was passed by the citizens of California in 1972. Proposition 20 created the Coastal Zone Conservation Commission, which both performed an interim regulatory function and created the Coastal Plan for consideration by the Legislature in the drafting of the Coastal Act.

The Coastal Act establishes strong resource protection and coastal development policies for California's coastal zone, which extends 3 miles seaward to the outer extent of state jurisdiction, and which on land can be as narrow as several blocks in certain urban areas and up to 5 miles inland in rural areas.

The Act's core development policies are found in Chapter 3 and include policies to protect and provide maximum public access to and along the shoreline, protect sensitive coastal resources, and provide for priority coastal dependent development and visitor-serving land uses. The Coastal Commission also plays a central role in assuring that new development minimizes coastal hazards, including flooding, erosion and extreme storm events that will be exacerbated by global climate change and sea level rise.

The Coastal Act establishes an independent Commission within the Natural Resources Agency, with twelve voting Commissioners appointed (four each) by the Governor, the Senate Committee on Rules, and the Speaker of the Assembly, and three ex-officio members representing state agencies (Natural Resources Agency, Transportation and Housing Agency and the State Lands Commission). The Commission is supported by and receives recommendations from professional civil service staff, including analysts, planners, lawyers, technical experts in the areas of biology, ecology, geology and coastal engineering and a small team of business service professionals. The Executive Director is directly appointed by the Commission.

The core program of the Commission includes both planning and regulatory functions required by the Coastal Act. The Coastal Act requires that new development be permitted either by the Commission or local government. All local governments in the coastal zone must prepare Local Coastal Programs

## Analysis of Problem

(LCPs), which are Commission certified land use plans, zoning ordinances, and other implementing actions designed to implement the statewide policies of the Coastal Act. Once an LCP is certified, most permitting review and enforcement authority of the Commission is delegated to local governments. The Commission retains original permitting and enforcement jurisdiction below the mean high tide line, on public trust lands, and in areas not governed by a certified LCP.

Generally speaking, development in the coastal zone must be evaluated through a permit review process by local government or the Commission for consistency with the LCPs where they are certified, or the Coastal Act where the Commission may retain permitting jurisdiction. The Commission also has a limited appellate review authority over local government coastal development permitting, which is important for assuring that local coastal development permitting remains consistent with state law.

The Coastal Commission's planning and regulatory program is also part of the federally-approved California Coastal Management Program (CCMP) under the federal Coastal Zone Management Act (CZMA). The CCMP also includes the planning and regulatory program of the San Francisco Bay Conservation and Development Commission (BCDC), and the State Coastal Conservancy's (Conservancy) program. As a certified federal program, the Commission receives funding from the federal government to support implementation of the Coastal Act. Under the CZMA, the Commission also has "federal consistency review authority," which enables the Commission to review federal and federally-approved activities that may affect coastal resources for consistency with the enforceable policies of the California Coastal Act. The Commission uses the federal consistency authority to review many federal activities, including federally-licensed offshore oil development plans and projects, federal dredging activities, and various military activities that have potential impacts on coastal resources, such as the use of sonar by the Navy.

## Implementation of the Coastal Act: California's Coastal Management Program

Effective implementation of the mandates in the Coastal Act requires adequate resources for both public education work (see also the Commission's FY 2016-17 Protect Our Coast & Oceans Fund-Local Assistance Grants & Outreach BCP) and seven critical and related core agency planning and regulatory functions:

1. LCP planning
2. Coastal development permitting
3. Permit condition compliance
4. Enforcement
5. Federal consistency reviews
6. Implementation monitoring
7. Program evaluation

**LCP planning** provides for comprehensive analysis of resource and development trends, management issues, and policy formulation to provide for needed economic development while assuring protection of coastal resources, including providing for climate change adaptation and preparation for sea level rise impacts to development and coastal resources, such as public recreational beaches. LCPs establish the kinds, locations, and intensities of allowable development in the coastal zone.

## Analysis of Problem

The **coastal development permitting process** is essential to effective implementation of the policies and objectives of an overarching LCP and the Coastal Act. Locally-issued development permits must be consistent with the governing LCP.

Once a permit is issued, it is important to assure effective **compliance** with any conditions that may be attached to a permit. This is often a critical phase of the process when restoration and other project mitigations are designed and implemented to assure effective resource protection. Any future climate adaptation measures, such as managed retreat, may be realized at this stage as well.

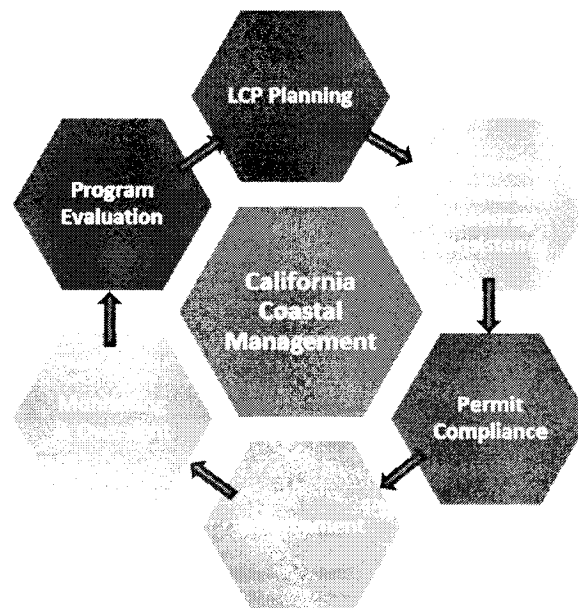
**Enforcement** is also a critically-important component of the coastal management program, both to assure that new development is in compliance with the underlying permit, and that all development receives any required permit review.

**Federal consistency review** of federally licensed activities or federal actions affecting the coast is an important regulatory responsibility under the Coastal Act. This review gives California an important voice in federal planning and projects that may affect California's coastal resources.

It also is important to have a robust on-going **implementation monitoring program** for locally-issued coastal development permits, to assure that individual permits remain consistent with the standards of the certified LCP and overall, to support development of recommendations for updating and improving LCPs and other Commission resource protection programs. This includes the Coastal Act direction that the Commission periodically review the implementation of certified LCPs.

Monitoring feeds into the last critical agency function of **program evaluation**, which is necessary for effective on-going implementation of the Coastal program and which completes the planning-regulatory cycle by informing new LCP planning and coastal management efforts. This is a standard planning and regulatory cycle for any resource management program (Figure B.1).

**Figure B.1. The California Coastal Management Program**



### The Local Coastal Program Element (Description and Definitions)

Local governments are responsible for developing an LCP to implement the Coastal Act Chapter 3 policies and standards on the local level. An LCP consists primarily of a land use plan, policies, programs, and zoning ordinances that provide for sustainable economic development while protecting statewide interests in coastal resource protection. LCPs determine what *kinds* of development may be appropriate. For example, they assure that high priority coastal developments are provided, such as public access and recreational uses, coastal-dependent industry, commercial boating and fishing operations and visitor-serving facilities such as hotels and campgrounds. LCPs also determine the appropriate *locations* of coastal development relative to sensitive resources and hazards. For example, they require that new development avoid wetlands, stay off of prime agricultural lands, and be set back from hazardous locations, such as eroding coastal bluff edges. And, LCPs determine the allowable *intensities* of development to protect coastal resources. For example, LCPs set height limits for development to protect public views to and along the ocean; and establish total development limits to assure adequate protection of groundwater, riparian zones, and coastal water quality.

LCPs must contain a Public Access component that maximizes public access to the coast and public recreation areas. The precise content of each LCP is determined by the local government, consistent with required procedures, in full consultation with the Commission and with full public participation (see PRC § 30500). The Coastal Act calls for the widest opportunity for public participation in coastal management, planning and decision-making, including maximum participation in LCP development.

There are a total of 76 LCP jurisdictions in the coastal zone (15 counties and 61 cities). These jurisdictions are further divided into 126 geographic coastal zone segments for LCP planning purposes. Most of the LCPs were geographically segmented in the 1980s at the time of initial LCP certification for most local government jurisdictions. Segmentation is for geographic areas only; LCPs cannot be segmented based on policy issues such as Public Access or Water Quality. For example, the Monterey County LCP consists of four areas: North Monterey County, Del Monte Forest, Carmel Area, and the Big Sur Coast, each with distinct coastal development patterns and resource management concerns.

#### Definitions:

A **Local Coastal Program** generally consists of a Land Use Plan and an Implementation Plan and includes a local government's land use plans, zoning ordinances, maps, and other implementing actions, which together meet the requirements of, and implement the provisions and policies of the Coastal Act at the local level (see PRC § 30108.6).

A coastal **Land Use Plan (LUP)** means portions of the local government's general plan or local coastal element which are sufficiently detailed to indicate the kinds, location, and intensities of land uses, the applicable resource protection and development policies and, where necessary, a listing of implementing actions (see PRC § 30108.5).

The coastal **Implementation Plan (IP)** refers to the zoning and other ordinances, regulations, or programs which implement the local coastal program. The implementation plan must conform with and be adequate to carry out the coastal land use plan (see PRC § 30108.4 and 30513).

#### LCP Certification

## Analysis of Problem

The Commission must review and *certify* all LCPs. The Commission must find that the Land Use Plan conforms with the requirements of Chapter 3 of the Coastal Act in order to certify it. Because of the required findings, and the Coastal Act requirement that LUPs be sufficiently detailed to indicate the kinds, locations and intensities of development to achieve Coastal Act policies, LUPs tend to be more specific than a typical General Plan. The Commission must also review and certify Implementation Plans (IPs) and any updates or amendments to certified LCPs. IPs must be consistent with and adequate to carry out the relevant LUP.

New LCPs can be prepared and processed:

- **At one time**, meaning the LUP and IP are submitted together; or
- **In two phases**: first the Land Use Plan, then the Implementation Plan. Any LUP must precede the IP given the standard of review.
- **In separate geographic units** (referred to as “segments”) provided the Commission makes specific findings that the segments can be analyzed for potential cumulative impacts and independently of the remaining portions of the jurisdiction.

## Early Collaboration and Public Participation is Critical

Early Coastal Commission staff involvement and collaboration with local government is essential for effective issue identification, analysis, and planning; and efficient, smooth processing and timely review and completion of LCPs once they are submitted to the Commission for review and approval. Early collaboration and coordination helps to resolve areas of discrepancy early and ensures that the proposed LCP or LCP amendment is consistent with the Coastal Act (see, for example, Commission’s [Tips/Best Practices for Processing LCP Amendments](#) and discussion below).

Local governments need time to prepare plans, to work with their local communities and conduct local hearings to allow for and encourage public participation in the LCP planning process. The public participation process empowers community members to help shape the LCP and share their vision of how the Coastal Act should be implemented in their community. Public participation at the local level and through the Coastal Commission process is also time intensive but essential to meet Coastal Act requirements and for effective LCP implementation.

## LCP Amendments

Once the LCP is fully certified by the Commission, any change must be processed as a LCP amendment – first through the local government and then through and ultimately approved by the Coastal Commission. Local governments regularly amend their LCPs to address new resource management and land use concerns, update important resource and economic information, and provide for new planning information and opportunities for local and regional economic development, consistent with state law. On average the Commission reviews and approves 55 LCP amendments a year. These LCP amendment reviews are critical to assuring that local planning and regulation of development remains consistent with the statewide policies of the Coastal Act, and to providing for efficient local economic development.

The Commission must find any LUP amendment consistent with the Coastal Act in order to approve it. The Commission must also find any amendments to the IP consistent with and adequate to carry out the LUP portion of the LCP to approve it. The Commission can deny an amendment and then suggest modifications that, if adopted by the local government, would result in certification of the

## **Analysis of Problem**

amendment. Local governments have six months to accept such modifications (with up to a year extension possible), but may also choose to resubmit the amendment another way.

LCP Amendments can be processed as Major, Minor or De Minimis. The Coastal Act and administrative regulations provide further definition, schedule and limits as to whether an amendment is considered major, minor or de minimis; however, most amendments that propose substantial land use or policy changes to LCP are considered Major Amendments.

LCP Amendments can also take the form of a Comprehensive Update and propose revisions to the entire LCP. While the term Comprehensive Update is not defined by the Coastal Act explicitly, it is widely used to describe Major Amendments that propose substantial changes to multiple policy sections of a certified LCP, similar to a General Plan Update. The Coastal Act does not require that LCPs be updated. It does require that the Commission periodically review LCP implementation, though. Due to insufficient funding, the Commission has only conducted a handful of Periodic Reviews over the years.

### **Areas of Deferred Certification (ADC)**

An Area of Deferred Certification (ADC) is a geographic area that has not been officially segmented for purposes of LCP preparation and during certification review of the LCP, was not certified. An Uncertified Area may be an area where issues were not resolved at the time of LCP certification or that was created through annexation or was subsequently identified but may not have been included in any LCP segment. The Commission retains permit authority until an LCP is effectively certified for these areas.

### **Steps to Develop, Update or Amend LCPS**

Local governments must follow certain procedures for developing and considering LCP and LCP amendments. For example, to ensure adequate public participation, the content of any proposed LCP amendment must be made available to the public at least six weeks before action is taken with proper notification of the availability of draft documents and local hearings. In addition, proposed LCPs or LCP amendments submitted to the Commission must also include:

- any supplemental maps, photos, and other explanatory material;
- a resolution from the city council or board of supervisors submitting the LCP or LCP Amendment for Coastal Commission review and approval;
- a summary of public participation measures and responses;
- for amendments, a discussion of the amendment's relationship to the rest of the LCP;
- analysis of the LCP or LCP amendment's consistency with the Coastal Act; and
- environmental review documents to support the Commission's CEQA findings.

In practice, local governments often invest many months if not more than a year developing LCP amendments at the local level before submitting them to the Commission for review. In the most general terms, the steps of amending, updating or certifying LCPs include:



## **Analysis of Problem**

1. Pre-submittal consultation with Coastal Commission staff (Note: this crucial step was severely constrained by staffing limitations prior to the FY 13-14 augmentation)
2. Local Government LCP development, public review and decision
3. Local Government submittal and filing as complete by Coastal Commission staff
4. Commission staff analysis and completion of staff report
5. Public Hearing & Coastal Commission action
6. Post-Coastal Commission action and effective certification

The Coastal Act provides a common methodology for developing LCPs (See Commission regulations at Section 13511), but contains flexibility for local governments to develop an alternative process in a way that is most efficient for them and best suits the wide range of local conditions as long as the Commission authorizes it as meeting the terms of the Coastal Act. Consequently, there is not a one-size fits all “model” format for LCPs or LCP Amendments. LCPs have been developed in a number of different formats such as separate coastal elements, a combination of existing general plan elements, or as specific policies identified within an integrated general plan.

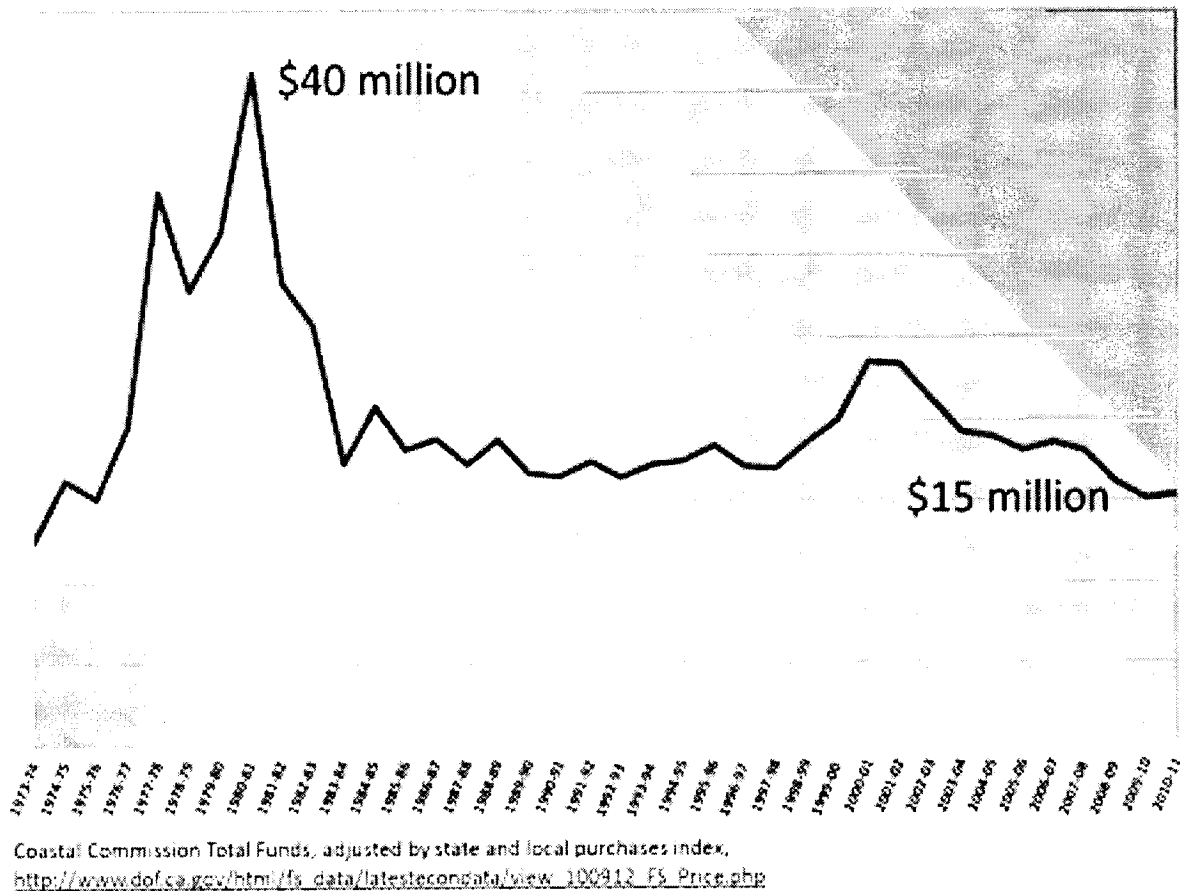
In addition to format, LCPs or LCP Amendments can also vary in complexity and geographic extent. For example, amendments can propose changes in one or more policies or ordinance provisions, they can change land use designations or rezone sites throughout the jurisdiction or they can propose land use and zoning changes to accommodate a specific development project. As a result, Commission staff time for any given LCP planning item can vary significantly based on the geographic extent, format and complexity of the proposed LCP or LCP amendment.

## **Historic Funding Levels – Resources Expended by the State**

Like many state agencies, the Coastal Commission has long been underfunded for optimal implementation of its statutory mandate -- the California Coastal Act. Similar to other resource management programs, the Commission’s overall budget today is well below its historic high in the early 1980s, both in dollars and in total staffing. As shown in the figure below (Figure B.2), when adjusted for inflation the Commission’s budget in recent years has been less than 1/2 of the high in 1981. The Commission reached a peak staffing of 212 people in that year, and has been as low as 111 people in 1989-1990. In FY 2012-13, the Commission’s authorized staff level was 142 positions (Note: With the recent budget augmentation through the LCP pilot program funding, the Commission has begun to rebuild its planning capacity for enhanced LCP planning. This will be discussed in further detail below).

Figure B.2. Commission Budget Overtime (1973-2011)

### Coastal Commission Budget in Today's Dollars



Staffing constraints significantly impaired the Commission's ability to efficiently implement its LCP planning and coastal development permitting responsibilities. For example, although the Coastal Act requires that LCP land use amendments be heard within 90 days of being deemed complete, the Commission routinely needed to extend this deadline for up to a year in order to provide time for analysis and preparation of a staff recommendation for Commission consideration. Between 2007 and 2013, the average time for LCP amendments to reach a public hearing was well over the benchmark of 90 days, especially during the years where the Commission was under furlough reductions (see below, Figure D.2. LCP Processing Time).

Due to these staff constraints, and the need to address permit and LCP matters that were under statutory deadlines to be processed, the Commission was generally not able to participate early-on in the initial LCP planning phase at the local level. Likewise, local governments would not always have the capacity to coordinate with the Commission as they developed an LCP amendment. Often, only after a LCP amendment was submitted to the Commission, did any significant engagement between the Commission staff and local government occur. This, in turn, would often lead to many proposed changes to the submitted amendment because Commission staff had identified provisions that were not consistent with the Coastal Act or that were inadequate to carry out the certified LCP. This back-loaded process was fraught with conflict, disagreement and often led to LCP amendments being rejected or withdrawn because local governments could not accept the changes to the proposed amendments that were adopted by the Coastal Commission.

## Analysis of Problem

To address mounting frustration, the Commission engaged in a focused public dialogue with the League of Cities and the California State Association of Counties, including conducting two half-day workshops with the Commission and local government representatives. A set of “best practices” for processing LCP amendments and improved communications between the Commission and local governments was developed out of this process. The best practices emphasize early collaborative planning to identify issues, scope problems, and maximize opportunities for problem resolution before local action on a LCP and before submission. These best practices, which were developed together with local government representatives, provide a roadmap for collaborative planning on LCPs, but they require adequate staffing to fully implement. (See Attachment A.)

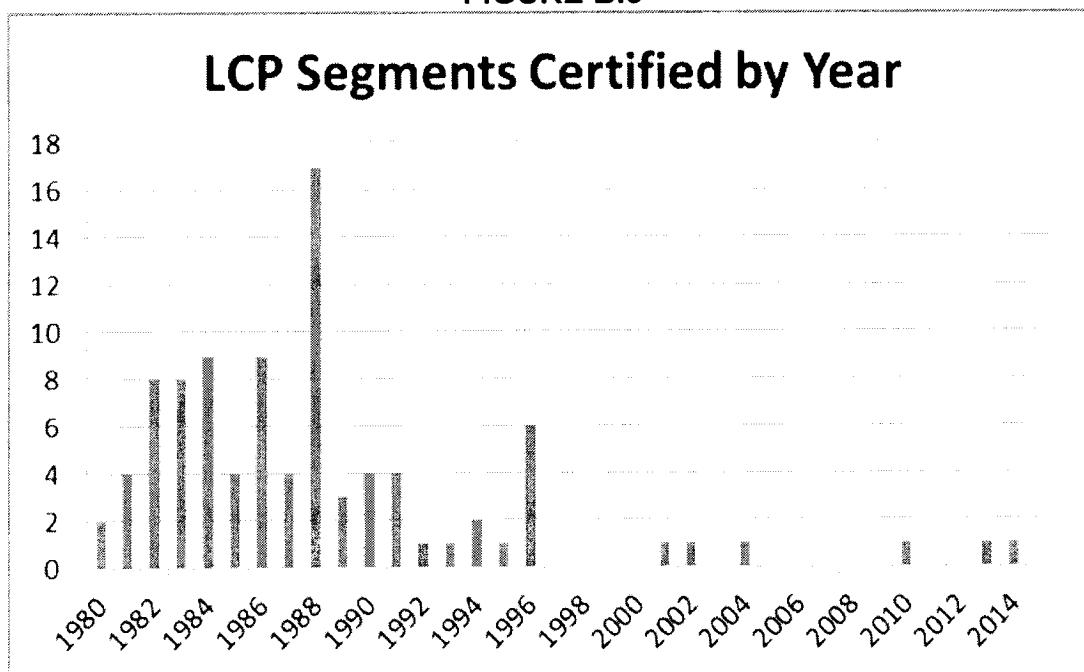
### **Summary of the LCP Program (based of best available data as of June 30, 2015.)**

- 15 coastal counties, 61 coastal cities for a total of 76 LCP jurisdictions
- 68 of 92 certified LCP segments (74%) certified more than 20 years ago
- 27 of the 92 certified LCP segments (29%) have had either the LUP, IP or both comprehensively updated
- 34 of the 126 LCP (27%) segments do not have an approved LCP
- 49 Areas of Deferred Certification (ADCs) within the certified LCP segments where the Commission retains permit authority.
- 15 of 92 certified LCP segments (16%) have been comprehensively updated.
- The average age of certified LCP segments is almost 25 years.

As of June 30, 2015, 80% of local governments in the coastal zone have certified LCPs (includes jurisdictions with only a certified Land Use Plan), covering more than 87% of the geographic area of the coastal zone. Since 1981, nearly 42,000 coastal development permits have been issued by local governments pursuant to their certified LCPs. The Commission also works with local governments to regularly amend LCPs, and in recent years on average has processed approximately 55 LCP amendments a year. Attachment B provides further details on status of LCP program including which jurisdictions have currently certified LCPs and the year of certification.

## Analysis of Problem

**FIGURE B.3**



The Resources History chart shows the Commission staff time and operating expenses for the past five years specific to LCP planning and associated work. The LCP Program is located within the Program 10 of the Commission's budget; it is not defined as a separate program. For FY 13-14, most of the limited term augmentation staffing was on board by January 2014.

**TABLE 1**  
**Resource History**  
*(Dollars in thousands)*

Program Budget	PY – 4 (FY 10-11)	PY – 3 (FY 11-12)	PY – 2 (FY 12-13)	PY – 1 (FY 13-14)	PY (FY 14-15) (estimated)
Authorized Expenditures					
Actual Expenditures (Personal Services OE&E)	1,588	1,714	1,662	2,908	3,990
Revenues	N/A	N/A	N/A	N/A	N/A
Authorized Positions	N/A	N/A	N/A	N/A	N/A
Filled Positions*	14	17	16	26	36
Vacancies					

Note to Resource History Table: Coastal Commission employees work on a variety of regulatory and LCP assignments. Until FY 13-14, there were no Coastal Commission staff solely dedicated to the LCP program. Currently there are a few staff members who work solely on LCP issues. Staff are assigned by jurisdiction and some staff members work predominantly on LCPs but most or all also handle a portion of regulatory workload. The filled positions number in this table comes from the aggregation of all recorded time on timecards for all LCP PCA codes for the years listed.

## Analysis of Problem

### **Current Year Resource Levels: Three Year Augmentation of Local Coastal Program Funding – A Pilot LCP Enhancement Program**

The FY 2013-2014 enacted state budget included a \$4 million augmentation of the Coastal Commission's budget for Local Coastal Programs (\$3 million state operations for 25 limited term staff positions and operating expenses and \$1 million for local assistance grants to local governments) to address the number of uncertified and outdated LCPs and address climate change and sea level rise in those plans. The augmentation enabled the Commission to jump-start more effective planning both through the local assistance grants for LCP work, and by increasing the planning staff capacity to work with local governments on necessary LCP completion, updates, and amendments. The Commission quickly moved to hire, organize and train new and existing staff in support of enhanced LCP planning. By January 1, 2014, the Commission had filled 20 of the new positions, including various promotions of existing staff.

The Commission also created and implemented the new Local Assistance LCP Grant Program to support certification of new LCPs, LCP updates, and LCP planning related to climate change. In August 2013, the Commission adopted priorities and criteria for eligibility and allocation of the new grant monies, and by January 2014, the Commission had awarded the first 11 LCP grants totaling the \$1 million available under the augmentation. The second round of Commission LCP grants totaling \$1 million was awarded in November 2014 (more details on the grant awards can be found below and in Attachment C).

The FY 14-15 enacted state budget included approval of an additional two-year pilot program (FY 2014-15 and FY 2015-16) of \$3 million per year of state operations and 25 limited term staff positions to work in partnership with local governments to accelerate the completion and updates of LCPs, and to address climate change and sea level rise impacts. The last year of the approved pilot just began on July 1, 2015 with the beginning of FY 15-16. This BCP includes accomplishments for the start-up of the pilot in FY 13-14, and the full year FY 14-15. If this BCP is not approved, the augmented \$3 million in state operations funding and the 25 limited term positions will expire June 30, 2016.

### **Success of the Pilot: Current State-wide Status of the LCP Program**

The budget augmentation significantly enhanced the capacity of the Commission's LCP Planning Program, and allowed the Commission to engage in the best practices developed for collaborative planning on LCPs. The additional funding for LCP staff work and local assistance grants allowed the Commission to focus on certifying LCPs in uncertified areas and updating LCPs to include up to date sea level rise adaptation policies.

At the time of this BCP preparation, the Commission is approximately half-way through the pilot program with data to report and results that can be analyze for an 18 month period (note: the first six months of the pilot were spent on hiring and getting the LCP Local Assistance Grant Program underway). Although the Commission is only part way through the pilot program, it is already clear that the program has achieved many successes, and significant progress has been made in achieving important milestones and objectives.

## Analysis of Problem

The key objectives for which progress of the pilot augmentation program is being measured include:

1. Early and regular ongoing collaboration and coordination with local governments occurring in all Districts
2. Reduced processing time for LCP actions (new, updates and amendments to LCPs)
3. Certifications of previously uncertified LCP segments
4. Number of Comprehensive Updates of out-of-date LCPs underway or complete
5. Number of Comprehensive Updates to LCPs addressing climate change and sea-level rise hazards underway or complete

Commission staff achieved progress in many of these areas as is evidenced by:

- Regular coordination meetings with more than 40 local government jurisdictions. These meetings allow for enhanced identification of mutual planning and resource management concerns, setting of LCP planning priorities, and solving of on-going management issues related to both planning and regulatory matters. Meetings and communications are logged and tracked through the Commission's data management system.
- Managing a 24 planning grants totaling over \$3 million. The grants will result in 9 new LCPs, 7 comprehensive updates, 7 large LCP amendments, and certification of four areas of deferred certification (ADCs). Twenty-two of the grants include completing technical and/or planning work to address shoreline hazards and sea level rise at the local level. The first round of grants, totaling \$1 million were awarded in January 2014. The second round of grants, totaling an additional \$1 million, were awarded in November 2014. The Commission is also managing the Ocean Protection Council's LCP sea level rise planning grants, which total an additional \$1,015,750 million.
- 38 comprehensive LCP updates and 16 new LCPs, in addition to 125 LCP amendments are underway.
- Since the pilot began, the Commission certified a new LCP for the Santa Monica Mountains segment of Los Angeles County – its highest priority for LCP completion. The Commission also approved comprehensive updates for the Port of Los Angeles and the City of Grover Beach. Notably, after close coordination with City staff, the Grover Beach LCP Update was approved as submitted, with no suggested modifications by the Commission. In addition, the Commission approved Land Use Plan updates for Marin County and Solana Beach.

## LCP Workload Data and Metrics

While the pilot program has shown significant progress, there is still significant workload to address the magnitude of LCP planning items before the Commission. To develop specific LCP workload data, metrics and staff time estimates, Commission staff categorized the LCP planning items into types. LCP Certifications and Comprehensive Updates are two distinct LCP Planning Item types, each with its own estimate of staff hours to process those items. These two types of planning items

## Analysis of Problem

are typically the most complex and require significant staff time for review, analysis and consultation with local governments, the public, and other stakeholders. In addition, LCP Amendments are divided into Large, Medium and Small Amendments to reflect the variation in format, complexity, scope of policy issues, and geographic extent to more accurately assess staff time requirements.

**Table 2. Local Coastal Program (LCP) Workload Staff Time Estimates**

	TYPES OF LCP PLANNING ITEMS					POST CERT MONITORING
	CERTIFICATION	COMPREHENSIVE UPDATE	LCP AMEND LARGE	LCP AMEND MEDIUM	LCP AMEND SMALL	
<b>STAFF HOURS</b>	8,860	6,820	3600	1050	110	450
<i>Staff Hours on LCP Planning Items include time spent by Coastal Program Analysts, Managers/Supervisors, Executive Staff, Technical Staff (biologist/ecologist, geologist, coastal engineer, water quality), mapping, legal, enforcement and clerical staff.</i>						
<b>ITEMS PENDING (#)</b>	34	92	97	64	13	92
UNDER CCC REVIEW (Post-submittal)		2	10	24	5	
PENDING LOCALLY (Pre-submittal)	16	36	38	40	8	
AREAS OF DEFERRED CERTIFICATION			49			
FUTURE ITEMS -- NOT YET STARTED	18	54				
<b>STAFF HRS BY PLANNING TYPE</b>	301,240	627,440	349,200	67,200	1,430	41,400
(Staff Hours x # Pending Plan Items)						
<b>PY BY PLANNING TYPE</b>	167.4	348.6	194	37.3	0.8	23
(Total Staff Hrs/1800 hrs per PY)						
<b>ESTIMATED TOTAL PERSONNEL YEARS (PY) TO ADDRESS PROJECTED LCP CERTIFICATIONS, LCP UPDATES WITH CLIMATE CHANGE ADAPTATION STRATEGIES, AND CURRENTLY PENDING LCP WORK</b>						<b>771.1</b>

NOTE 1: Staff Hour estimates are based on case study examples and best professional judgment. The staff hours shown for the various LCP plan item/type include time spent from the pre-submittal phase (local govt action and CCC staff review), to submission and review by CCC staff, CCC action and Executive Director check-off.

## Analysis of Problem

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NOTE 2: Staff hours for Post Certification Monitoring are based on an average of 8 hrs per week per LCP segment for a Coastal Program Analyst, and an average of 1 hour per week for an Enforcement Analyst, to conduct the necessary post-certification monitoring tasks for **one year**. For "Items Pending", the number 92 refers to the number of currently certified LCP segments. When currently uncertified segments becomes certified, this number will increase.

NOTE 3: This workload estimate does not include any staff time spent on appeals.

NOTE 4: This workload estimate covers Commission staff time needed to certify the remaining uncertified areas, to complete currently pending LCP Updates and Amendments including current items funded by the Commission's LCP Local Assistance and OPC grant awards, assuming each item completes the full process (local review to Commission process), and to certify future LCP Updates to ensure climate change adaptation policies are implemented along the entire coast. This estimate is a snapshot in current time and does not include the expected influx of new work from future LCP Amendments or Updates beyond those listed. LCP Updates must occur on a recurring basis to address emerging issues.

Table 2, titled **Local Coastal Program (LCP) Workload Staff Time Estimates**, summarizes the staffing needed to certify the remaining uncertified areas, update existing LCPs, complete currently pending LCP amendments, and perform ongoing monitoring work once LCPs are certified (referred to as "Post Certification Monitoring"). These numbers are further supported by Figure E.1 and Table 5 in Section F. Outcomes summarizing the number of LCP Amendments pending with the Commission and those pending at the local government level.

The estimate of 771.1 personnel years needed to accomplish LCP work is a snapshot in time. It does not include expected future work for each LCP jurisdiction, including comprehensive LCP updates that will be necessary in the next cycle of community planning (typically a 10-20 year planning horizon). In other words, as with General Plans, keeping LCPs current and effective is an important on-going task. The estimate also does not include future LCP amendments that are expected to be submitted to the Commission. Currently, the Commission receives an average of 55 LCP amendments per year, but this number may increase as the total number of certified LCPs increases.

The staff hours estimates provided in the chart are based on analysis of recent case study examples for a variety of LCP Planning Item types (LCP Certification, Comprehensive Updates, LCP Amendments – Large, Medium and Small) and Commission staff best professional judgment. The number of "Items Pending" in the chart comes from Commission staff tracking of submitted and locally pending planning items. In addition, the tables at the end of the document (Attachment A) show the statewide status of LCPs and support numbers in the chart for the number of outstanding LCP certifications and ADCs.



## Analysis of Problem

**Table 3**  
**Workload History**

<b>Workload Measure</b>	<b>PY-4</b>	<b>PY-3</b>	<b>PY-2</b>	<b>PY-1</b>	<b>PY</b>	<b>CY</b>
New LCP Certifications	1	0	2	1	1	0
Comprehensive LCP Updates	0	2	2	2	2	1
Number of LCPs that Address Sea Level Rise	6	7	10	10	13	14
Number of LCPs with Comprehensive Climate Change Adaptation Policies	0	0	0	0	0	1
LCP Application Processing Time (filing to hearing)	368	372	159	185	98	75
Number of LCP Segments requiring Post-Certification Monitoring	87	88	88	90	91	92
Number of Locally Pending LCP Amendments	Data not available	Data not available	71	79	112	138
Total Number of Pending LCP Amendments	Data not available	Data not available	142	139	172	184

Note: Workload History data is by calendar year; CY is 2015, PY is 2014, etc.

Note: The figures showing the 'Number of LCPs that Address Sea Level Rise' and the 'Number of LCPs with Comprehensive Climate Change Adaptation Policies' represent the total number of LCPs with such policies, not the number completed each year.

Note: Data collection on the number of locally pending LCP Amendments began in 2012 and has improved steadily over time.

### **C. State Level Considerations**

#### **Administration Policies, Priorities and Initiatives**

This BCP supports and implements many of the Governor's policies, priorities and initiatives, primarily in the area of climate change adaptation planning and partnering with local governments to prepare for climate change by building sustainable, resilient communities and reducing greenhouse gas emissions. The BCP will also help support high priority issues for the Administration like the addressing the drought.

## Analysis of Problem

The Governor has set clear priorities through Executive Orders, policy statements and investments (most notably the FY 2013-14, 2014-15 and 2015-16 state budgets) to address climate change, encourage local communities to develop in a sustainable manner, and improve management of our limited water resources. The BCP supports the Governor's priorities because the Coastal Act itself provides the legal mandates and policy framework for sustainable communities, ensuring adequate water supplies and minimizing risks to life and property from hazards posed by climate change and sea-level rise. As explained above, in order to certify new LCPs or amendments to existing LCPs, the Commission must find the LCP to be consistent with the Coastal Act. The Coastal Act contains numerous policies that support sustainable community/Smart Growth strategies, such as:

- Locating development within, contiguous to or in close proximity to existing development (Section 30250);
- Minimizing risk to life and property in high geologic, flood or fire hazard areas (Section 30253 (a));
- Maintaining and enhancing public access to the coast through transit service (Section 30252)
- Minimizing energy consumption and vehicles miles traveled (Section 30253(c));
- Ensuring adequate public services are available to serve new development including roads, sewer lines, and water supply (Section 30250, 30254);
- Establishing urban-rural limit lines, protecting prime agricultural land and limiting the conversion of prime agricultural lands adjacent to urban areas (Section 30241).

Because new or updated LCPs must be consistent with these policies, the BCP supports the Administration's sustainable community development goals within the coastal zone. To this end, the Coastal Commission has and will continue to leverage grants made by the Strategic Growth Council in awarding grants under the LCP grant program. For example, in the first round of LCP grants (awarded January 2014), the Commission awarded \$100,000 to the City of Hermosa Beach to develop a new LCP that will leverage approximately \$46,000 of its \$410,000 Strategic Growth Council award.

In addition, the LCP work proposed under this BCP will focus on completing and certifying new LCPs, and updating existing LCPs to include land use policies that prepare communities for climate change impacts such as sea level rise, flooding/inundation and coastal erosion. These policies often include co-benefits and can reduce greenhouse gas emissions, such as wetland buffer and/or protection policies. Wetlands serve to attenuate waves thus reducing damage from flooding and storms; wetlands also retain carbon, especially tidal wetlands. As such, the BCP compliments many of the Administration's investments through Cap and Trade spending and the Water Action Plan to combat global warming, reduce greenhouse gas emissions and restore wetlands.

On April 29, 2015, Governor Brown issued Executive Order (B-30-15) to establish a new interim greenhouse gas emission reduction target and called for further action on climate adaptation. More specifically, the order states that state agencies shall take climate change into account in their planning and investment decisions. The order requires agencies to ensure that priority is given to actions that build climate preparedness and reduce greenhouse gas emissions, provide flexible and

## Analysis of Problem

adaptive approaches, protect the state's most vulnerable populations, and promote natural infrastructure solutions. In particular, the order calls for the on-going implementation and update of the *Safeguarding California* adaptation strategy, which itself identifies the update of LCPs as central to climate change adaptation (see below).

The work that will be carried out through this BCP directly supports the Commission's implementation of Executive Order B-30-15. As stated above, LCPs are basic land use plans for California's coastal communities and many Coastal Act policies that are required to be in a certified LCP carry out the directives of B-30-15. The Commission is committed to certifying, updating and/or amending LCPs to include policies that address vulnerabilities from climate change and sea level rise as well as reduce greenhouse gas emissions to the extent feasible. Most important, LCPs provide the land use planning and implementation framework for addressing the need for climate adaption along shorelines affected by coastal erosion and flooding. For example, the Commission recently approved a comprehensive land use plan in Solana Beach, where existing urban development is threatened by high, eroding bluffs, at the same time that the economically-important recreational beach resources are adversely impacted by shoreline armoring responses. The land use plan provides policies and strategies to address hazard response, and protection of beach resources as sea level continues to rise.

LCPs also contain policies that reduce energy consumption and support transit as a way to reduce vehicle miles traveled and assure adequate services can be provided by existing roadways and networks. Furthermore, the LCP planning process includes steps that will "...identify risks to residents, property, communities and natural systems ..." (as required by B-30-15) and develop policies to address those risks consistent with Coastal Act policies. Those policies are then put into place through up-to-date certified LCPs.

**Safeguarding California Plan.** This BCP will carry out key recommendations and strategies contained in the 2014 *Safeguarding California* (an update to the 2009 *California Adaptation Strategy*). More specific to LCPs, *Safeguarding California* identifies addressing climate impacts in Local Coastal Programs as a key action that is needed for the state dealing with climate change and sea level rise (page 181). Order number four of Executive Order B-30-15 requires the Resources Agency to ensure that provisions of the state's climate adaptation strategy contained in the *Safeguarding California Plan* are implemented. This BCP directly supports the Commission's work to carry out provisions of the *Safeguarding Plan* to address hazards related to climate change in updated, amended or newly certified LCPs.

More broadly, *Safeguarding California* calls for the state to: "*provide data, tools, and guidance to support efforts to reduce climate risks; and to build the capacity for the state to plan for and implement actions to reduce climate risk through collaboration, education, outreach and funding.*" (*Safeguarding California*, page 10).

To that end, on August 12, 2015 Coastal Commission adopted *Interpretive Guidelines for Addressing Sea Level Rise in Local Coastal Programs and Coastal Development Permits*. These guidelines provide tools to support sea level rise decision making by establishing a framework for state, local, and federal partnership and coordination on sea level rise, and by providing guidance on how to improve the resilience of California's coastal infrastructure, natural resources, human communities, and coastal industries in coastal development permits and LCPs. The Coastal Commission's *Sea Level Rise Guidance* provides specific data and information for local governments to use in developing policies that support resilience and preparedness for sea-level rise in new or updated

## Analysis of Problem

LCPs. The content of the *Sea-Level Rise Guidance* is directly aligned and compliments many strategies described in the *Safeguarding California Plan*.

Therefore, through the work described in the BCP, Commission staff will support *Safeguarding California* strategies using the Commission's adopted *Sea Level Rise Guidance* and by working with local coastal communities to update, amend or create new land use plans that include policies for climate preparedness and reducing climate hazard risks.

### Addressing the Drought and Executive Order B-29-15

The Local Coastal Program work in this BCP also provides an important way to help address the Administration's high priority issue related to water supply and the state of emergency on the drought, as well as developing long term drought resiliency strategies for the future. This is because the Coastal Act requires that new development be supported by adequate services, including water supply, wastewater capacity, and adequate road circulation. It specifically requires that groundwater basins not be overdrafted and encourages waste water reclamation (Section 30231). In implementing the Coastal Act, the Commission also seeks to assure that where water supplies are limited, that water is reserved for coastal priority uses, including agriculture.

Over the years the Commission has implemented the Coastal Act through LCP planning to assure that new development is supported by adequate services and that resources are protected in relation to water supply projects such as individual and community groundwater wells and instream withdrawals. Under the Coastal Act, the Commission typically takes a comprehensive planning approach when considering water management issues – including requiring communities and local water agencies to consider the full suite of potential water supply options – including water recycling and conservation approaches to meet water supply needs.

For example, in Cambria in San Luis Obispo County, the Commission approved a LCP update policy that requires the County and the Cambria Community Services District to consider the entire portfolio of potential water supplies, including conservation, water recycling, desalination, and groundwater. The Commission also required the County to recycle/reuse wastewater from a new sewage treatment facility in Los Osos, when the County was proposing to dispose of the treated effluent with non-agricultural "spray fields."

The Cambria LCP also specifically requires that sufficient water be reserved for instream flows and agricultural resources before new residential water connections are provided for, to assure that new urban demand does not outstrip the available supply. With respect to potential desalination, the Cambria LCP establishes clear direction on the planning and resource concerns that should be taken into account in any future project siting and design.

The Commission's program and LCP planning may also play an important role in implementing and complementing the recent Groundwater legislation and developing program in the Department of Water Resources. Recent draft maps identify at least four groundwater basins in the coastal zone that are critically overdrafted, including in Soquel, Pajaro, Los Osos and Oxnard. LCPs provide a mechanism for assuring that future development and water supply projects are sustainable, particularly with respect to protecting groundwater basins from overdraft.

Overall, the Coastal Act and the LCP program provides a planning framework for many communities to consider long-term water supply and demand issues, including saving water, reducing water waste,

## Analysis of Problem

and planning for future drought conditions. Such planning is necessary both to anticipate public health and safety needs of the built environment and the potential resource management concerns raised by water supply projects, including groundwater overdraft, saltwater intrusion, reduction of instream flows to protect anadromous fisheries and other riparian habitats, and the protection of coastal agriculture. Comprehensive LCP updates are critical to assuring that the water planning and development rules of coastal communities are keeping pace with the reality of changing water supply baselines in relation to climate change, as well as to anticipate future supply and demands. Similar to coastal hazards management, comprehensive planning will provide much more cost-effective and intelligent responses to community and environmental water management needs than will ad hoc, crisis-driven response.

Executive Order B-29-15 calls on state agencies to continue to increase state efforts to save water, reduce water waste and act more expediently and efficiently in the state's response to the drought. As a permitting agency under Executive Order B-29-15, the Commission is committed to prioritizing review and approval of water-related projects/program. The Commission is currently tracking 13 ocean desalination and other water supply projects. Four coastal groundwater basins have been identified by the Department of Water Resources as critically over drafted; the Commission already manages land use in these basins, including working with local governments to put land use policies in place that protect water supply and resources. Finally, through this BCP, the Commission will continue to pursue comprehensive water planning approaches in new or updated LCPs to include policies that conserve water, reduce water waste and support low-impact development solutions to ensure efficient water use for the future.

## Coastal Commission's Strategic Plan

The BCP is consistent with the Coastal Commission's 2013-2018 Strategic Plan, approved by the Commission unanimously in April 2013, which identifies *Strengthening the LCP Program* as one of the agency's top organizational priorities. More specifically, the BCP addresses specific tasks within Goal 3 – *Address Climate Change through LCP Planning, Coastal Permitting, Inter-Agency Collaboration and Public Education* – and Goal 4 – *Strengthen the LCP Planning Program* – of the Strategic Plan. The BCP seeks to achieve Objectives 4.1, 4.2 and 4.4 of the Strategic Plan which include: pursuing completion of LCP certification for uncertified segments and Areas of Deferred Certification (4.1); work[ing] with local governments to update LCPs where feasible (4.2); and continue improving communications and planning with local government (4.4). It is worth noting that these objectives reflect priority areas for LCP Program improvements brought forward by local government representatives at Coastal Commission's workshops and on-going communication/coordination at the staff level through the Commission's Local Government Working Group. In addition, Objective 4.2 identifies climate change, adaption and climate mitigation as key areas to address in updating LCPs which is also included in this proposal. Goal 4 also includes objectives to improve efficiency and effectiveness of the LCP program, such as making the most current certified LCPs available on-line.

The BCP supports achieving additional objectives under Goal 3 to address climate change in planning decisions, such as by assisting local governments with interpretation of scientific studies or technical information related to climate change and sea level rise relevant to include for adaptation planning in new or updated LCPs. The BCP compliments state funding already provided by the Ocean Protection Council's (OPC) Local Coastal Program Sea Level Rise Grant Program and the State Coastal Conservancy's Climate Ready Grant Program by allowing the Commission to use staff

## Analysis of Problem

positions from this proposal to work directly with local governments who receive state funding to address climate change in new or updated LCPs (Action 3.2.6 in the Strategic Plan).

Finally, the BCP is consistent with the other parts of the Strategic Plan focused on improving the effectiveness of the Coastal Commission's regulatory and planning program, building agency capacity and preparing for the loss of significant numbers of veteran staff members who are eligible for retirement (see also Commission FY 2016-2017 Leave Pay-Out for Retirement BCP).

This BCP is also called out specifically in the Coastal Commission Strategic Plan under Goal 7 – *Build Agency Capacity*. Objective 7.4.2 states that Commission will prepare a Budget Change Proposal to request enhanced support for LCP planning. This BCP seeks to convert the temporary enhanced support for the LCP planning that was initially funded as a pilot in the FY 13-14, FY 14-15, and FY 15-16 enacted budgets part of the Commission's baseline ongoing program.

(Note: The complete 2013-2018 Strategic Plan can be found on the Commission's website [http://www.coastal.ca.gov/strategicplan/CCC\\_Final\\_StrategicPlan\\_2013-2018.pdf](http://www.coastal.ca.gov/strategicplan/CCC_Final_StrategicPlan_2013-2018.pdf). A progress report on the Commission's achievements related to the first two years of implementing the Strategic Plan can also be found on the website at <http://documents.coastal.ca.gov/reports/2015/5/w6b-5-2015.pdf>.)

## Impacts to Other State Departments

As noted above in the Strategic Plan discussion, this BCP leverages other state investments in climate adaptation planning. The BCP directly ties and would ensure the success of multiple state agency grant programs related to planning for and adapting to climate change and sea level rise that are described in more detail below. This includes the Coastal Commission's LCP Local Assistance Grant Program for which additional funds were provided in the FY 2015-16 Budget.

- Coastal Commission LCP Local Assistance Grant Program: As a part of the enacted budgets for fiscal years FY 2013-14 and FY 2014-15, the Coastal Commission received \$1 million per year (\$2 million total) in grant funds for local governments to work on LCPs. An additional \$3 million for local assistance grants is included in the enacted FY 2015-16 Budget. The grant program provides funding to local governments to complete the certification of new and updated LCPs, with an emphasis on addressing impacts from sea level rise and climate change.
- In January 2014, the Coastal Commission awarded \$1 million in LCP Grant funds to 11 jurisdictions throughout the state, with awards ranging from \$29,000 to \$130,000. In November 2014, the Coastal Commission awarded another \$1 million to 12 jurisdictions, with awards ranging from \$13,000 to \$250,000. This second round of funding was coordinated through a joint application and review process with the Ocean Protection Council (OPC) LCP Sea Level Rise Grant program in order to maximize funding opportunities.<sup>1</sup> It is critical that the Coastal Commission have adequate staff capacity to work on these grants in close coordination with local governments to ensure funding leads to a certified LCP, update or amendment. Additional discussion of this can be found in the Justification (Section D) of this BCP. A summary of the LCP grant awards can be found in Attachment C.

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<sup>1</sup> The coordination with OPC has resulted in the Commission managing one additional grant for FY 14-15, for a total of 13 for FY 14-15 and 11 for FY 12-13.

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- Ocean Protection Council LCP Sea Level Rise Grant Program: The OPC grant program includes \$2.5 million to support local governments in updating LCPs to address sea level rise, including support of sea level rise modeling, vulnerability assessments, and adaptation planning and policy development. The OPC is administering the program in partnership with the Coastal Commission and the Coastal Conservancy. In November 2013, the OPC awarded \$1,305,000 to seven jurisdictions based on recommendations from the three coordinating agencies. The remaining funds were awarded in the second round of the grant program in December 2014. Seven jurisdictions received funding ranging from \$90,000 to \$200,000. This second round of funding was coordinated through a joint application and review process with the Coastal Commission LCP Local Assistance Grant Program, as described above. The OPC requested that the Coastal Commission administers the second round of OPC grants. The Commission entered into an Interagency Agreement to manage all aspects of the grants and work under the OPC grants.
- State Coastal Conservancy Climate Ready Grant Program: The Climate Ready Grant Program provides funding for climate change-related projects including projects to update LCPs to address sea level rise. The Conservancy awarded \$3 million in January 2014, and awarded an additional \$2.4 million for a second round of grants in January 2015. The second round focuses on implementation of coastal climate change adaptation projects. A third round of grant applications is currently being reviewed. These grant funds are available to both local governments and non-governmental organizations.

The State Coastal Conservancy also relies on up-to-date Local Coastal Programs to guide their grant-making decisions for public access, restoration and resource enhancement projects. The Conservancy must determine that projects that receive grant awards are consistent with the Coastal Act or relevant LCP.

State Leadership Group on Sea-level Rise. Commission Executive staff are part of the State Coastal Leadership Group on Sea-Level Rise, which was established in early 2014 to develop and implement coordinated approaches to address sea level rise across state agencies. The partnership includes senior management from the state's Coastal Zone Management Act agencies (Coastal Commission, San Francisco Bay Conservation and Development Commission, and State Coastal Conservancy) and coastal land management agencies (State Lands Commission and State Parks) along with the Ocean Protection Council and Natural Resources Agency. This BCP will help to carry-out the work of the Leadership Group by providing staff resources for multi-agency coordination at local and regional scales, and to ensure lessons learned from climate preparedness efforts are communicated across the state.

Other State Agency Planning Processes. Other state agencies are working on updates to State plan documents to address climate change. For example, the State Office of Planning and Research (OPR) is updating the General Plan Guidelines (Cal OPR 2015) and the Office of Emergency Services' (Cal OES) is working on updates to the State Hazard Mitigation Plan. In coastal areas, where these planning process may coincide, this BCP will allow Commission staff to incorporate and collaborate with relevant state agencies to ensure policies from these other plans are incorporated and carried out through updates/amendments in LCPs.

Implementation of California's federal-approved Coastal Management Program. The BCP supports the Commission's combined efforts with the San Francisco Bay Conservation and Development

## Analysis of Problem

Commission and the State Coastal Conservancy to implement California's federally approved Coastal Management Program.

### **Support and Opposition**

The BCP would fund LCP program work that directly supports local government coastal planning and management. As described elsewhere, the investment in LCP planning enables the Commission to work collaboratively with local government to address critical policy needs, such as climate adaptation. It enables the state to bring resources and technical expertise to the local level, and share in the challenges of land use planning and policy development. The Commission has dramatically increased its work with local government under the pilot project, and this investment, coupled with the LCP grant program, is widely supported by the Commission's partners.

Adaptation to climate change is an evolving area of land use planning and many of these policies need to be tested on the ground with local communities. The Commission's work with local communities to date indicates a strong need for financial and technical assistance to translate climate science for use in land use plans, provide appropriate data, models, and tools for use at the parcel level and assist with training/facilitation skills – convening partners and stakeholders for addressing issues that span multiple jurisdictional boundaries. The BCP is critical for the Commission to support local communities in these efforts.

Many stakeholders in the environmental community also support the Commission's LCP program as an integral piece of the state's overall strategy to address climate change. Both local governments and the nonprofit community support investments in the LCP program to improve its efficacy and timeliness.

Adaptation planning is complex, and often controversial, and ultimately all stakeholders will benefit from such planning into the future. This includes coastal property owners, residents, and developers that must be concerned with exacerbated shoreline hazards from climate change, as well as stakeholders concerned with potential impacts to beach and shoreline resources as we struggle to adapt to coastal hazards and rising seas. There is no known opposition to this proposal.

### **D. Justification**

This BCP requests the conversion of the pilot program of 25 limited term positions and \$3 million in state operations funding to permanent baseline funding of \$3 million in state operations and 25 permanent baseline staff positions. This would result in a total of 167 authorized positions in the Coastal Commission's budget as compared to the peak of 212 staff positions in FY 1980-81 during the first peak Local Coastal Program workload. The current LCP workload figures (Table 2) would support staffing the Commission's LCP program near the former 212 person level. However, the Commission recognizes the state's desire to limit the expansion of programs and staff positions. In addition, we believe that the proposed 25 permanent positions is the minimum number of positions to make steady, sustainable progress on the workload as local governments progress with their Local Coastal Program work.

This BCP will address the significant workload of LCP planning items, including certifying currently uncertified LCP segments, updating out-of-date LCPs to address climate change and sea level rise, and ensuring the success of over \$5 million of LCP local assistance grants (\$2 million administered; an additional \$3 million available through FY 2017-18). The first 18 months of the pilot program have



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shown the workload was greater than initially estimated when the pilot program was approved in FY 13-14 and the conversion of the 25 limited term positions to 25 permanent baseline positions would be instrumental to realizing the benefits of the state's pilot investment on a long term basis.

- **What workload changes have occurred? How will this proposal address those workload changes?**

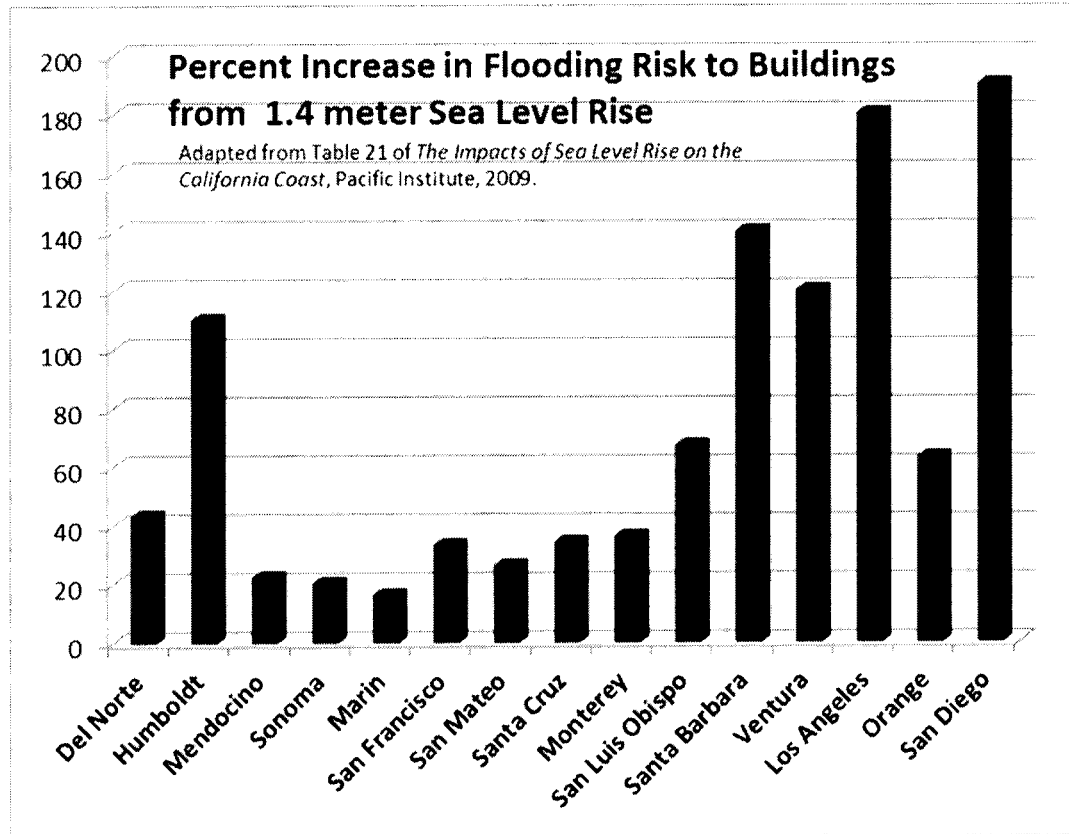
The workload changes that necessitate this BCP are due to several factors summarized here and discussed in more detail below:

1. The time to act is now to prepare for climate change and address sea level rise; LCPs provide the legal and planning framework to put in place land use policies to effectively prepare for climate change and sea-level rise;
  2. LCPs are significantly out of date (average of nearly 25 years old); certified up-to-date LCPs are critical to the state's economy;
  3. Early coordination and collaboration between the Commission and local governments and public participation in the process is key for timely and successful LCP planning;
  4. The pilot program facilitated the initiation of critically important LCP planning work that is well underway and making great progress;
  5. A long-term lack of funding for the Commission's core statutory program responsibilities has led to a significant number of pending LCP planning items.
- 1. The time to plan for climate change is now; LCPs provide the legal and planning framework to put in place land use policies to effectively prepare for climate change and sea-level rise.**

Land use plans, programs and local zoning and building codes must be updated to guide intelligent community action in response to projected sea level rise, erosion, coastal flooding, storms and drought conditions. *Fortunately, California already has the legal and planning infrastructure in place necessary for effective coastal adaptation planning – the California Coastal Act and Local Coastal Program.* LCPs provide the legally-controlling local land use policies and zoning to address statewide coastal resource management issues like coastal hazards, sea level rise and extreme events and drought conditions, and protecting public beach recreational resources.

The Commission is facing the significant workload challenge of responding to climate change, particularly global sea level rise. There is perhaps no greater workload challenge facing coastal managers today. Rising seas will exacerbate coastal flooding and shoreline erosion and will put buildings and infrastructure located along the coast at greater risk (Figure D.1). In fact, in California, sea level rise will pose risks to nearly \$100B of property, as well as major ports, 30 coastal power plants, 28 wastewater treatment plants, 3,500 miles of roadways, and 280 miles of railroads. In addition, California's beaches, which are at the heart of California's \$17 billion coastal tourism industry will be increasingly threatened by the convergence of rising seas and shoreline development, and could ultimately be eroded entirely in some areas if effective adaptation planning measures are not developed and implemented.

**Figure D.1. Flood Risk to Buildings**



Comprehensive sea level rise adaptation planning in California's coastal communities can minimize these significant hazards so that intelligent, well-planned hazard responses that also protect other important coastal resources such as recreational beach economies are identified and implemented. This adaptation planning work has been initiated through the Commission's pilot program of FY 13-14, FY 14-15 and FY 15-16. The alternative to planning now will likely be more expensive, ad hoc and emergency responses that are ill-planned and do not, ultimately, provide for resilient community adaptation to the forces of climate change. Although climate change impacts will continue to unfold for decades, the time to plan for these impacts is now, particularly for our coastal tourism economy, as well as for large, existing and future infrastructure investments, such as coastal Highway One, ports, power plants, and community wastewater treatment plants. The potential magnitude of impacts from climate change make it that much more important that LCPs be certified or where already in place, updated to provide for longer-term, cost-effective adaptation planning along the coast.

## **2. LCPs are out of date; up-to-date LCPs are critical to the economy and resources of the state.**

California has a \$40 billion a year coast and ocean economy. The state also is a recognized global leader in effective coastal resource management protection. Over the last 40 years, through implementing the Coastal Act, California has thus demonstrated that a healthy economy and strong environmental protection can go hand-in-hand.

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Maintaining the success of the LCP program requires on-going investment in collaborative planning process between the state and local governments. The environment and the economy are inherently dynamic. To be effective, the LCP program must be responsive to changing conditions. If LCPs are not in place, or if they are out-of-date, local economic development is hampered by land use policies that conflict with present day circumstances, generating conflicts between the Coastal Commission (state interests), local governments, stakeholders and project proponents. Often times, out-of-date plans or a lack of relevant LCP means that economic development is less likely to go forward or proceeds at a much slower pace.

Currently, 27% of the LCP segments still need to be certified, and the remaining 73% that are certified are increasingly out of date averaging nearly 25 years old. (Attachment B, Table A.1). This means that the LCPs increasingly do not anticipate needed economic development or changes in the environment (such as climate change) that need to be addressed if the economy is going to thrive and coastal resources are going to be protected. In areas with no LCPs in place, the Commission continues to be the lead coastal permitting agency and must expend significant state resources on matters that often raise only local issues (see Pacific Palisades Case Study, Attachment D). In addition, case-by-case permitting does not provide adequate comprehensive resource management or support efficient economic development, more often leading to conflict and delays for important local development that doesn't raise a statewide resource management concern. This is also a problem in areas with LCPs that need to be updated.

In recognition of this problem with the influx of resources under the pilot program there are currently 16 new LCPs and 38 comprehensive LCP updates pending locally and at the Commission. This is a significant increase compared to just 18 months ago before the pilot program began, when there were only a handful of locally pending new LCPs and approximately 27 pending updates. This significant increase in locally pending LCP work will require additional planning capacity at the Commission to ensure efficient and effective processing of this important LCP planning work that local governments are undertaking.

### **3. Early Coordination is Critical to Success.**

The Commission faces a steady stream of proposed LCP amendments (55/year on average), as well as continued permitting, permit appeals, and other statutorily required work. Coupled with the factors described above, the LCP process was becoming increasingly frustrating to local governments, the Commission, and the public. In the years prior to the augmentation, only about half of the major LCP amendments submitted to the Commission were approved as submitted by the local government, with most others being approved with significant changes, and some denied or withdrawn. This was frustrating for local government, the Commission, and the public, as often years of work at the local level had occurred, followed by significant effort at the Commission after LCP submittal.

The pilot has allowed for increased staffing for the collaborative partnership necessary for successful land use planning, and agreements on LCP amendments and updates. As described above, the Commission worked with local governments to develop a roadmap for this collaborative process known as best practices (Attachment A), which has been implemented during this year.

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The success of the collaborative process during the pilot has already been demonstrated. As discussed previously, the Commission acted on several key LCPs and LCP Updates, including the Santa Monica Mountains LCP, the Grover Beach Comprehensive LCP Update, the comprehensive update for the UCSB Long Range Development Plan and the LCP Amendments necessary to provide for the multi-modal transportation and resource management plan for the 27-mile North Coast Corridor in San Diego (see case studies in Attachment C). In general, as shown in Figure D.2, the processing time for LCP Amendments has been significantly reduced.<sup>2</sup> In addition to the reduction in processing time, the number of LCP Amendments that were approved as they were submitted by the local government, as opposed to being approved with modifications to the locally-adopted amendment, grew from approximately 50% to over 70% approved as submitted.

The number of LCP Amendments that are pending at the Commission level has also been significantly reduced (see Figure E.1). This figure also shows that while LCP Amendments at the Commission level are going down due to faster processing times, the number of LCP Amendments that are pending locally, and that require Commission staff participation pursuant to the collaborative process roadmap is steady.<sup>3</sup> Indeed, the Commission expects that the need for LCP updates, and to amend LCPs generally across any number of policy areas, will continue into the foreseeable future. This number of pending updates will no doubt continue to increase as local governments begin to develop LCP Updates to address sea level rise adaptation and as plans become increasingly out of date. Figure E.1 shows both the success of the pilot program in terms of the reduction of the backlog, as well as the continuing workload of locally pending LCP Amendments that can be expected.

However, this collaborative process with local governments increases the upfront workload of each item that is developed. **The pilot program showed that the time necessary to coordinate on new LCPs and comprehensive updates was far higher than what was estimated.** Prior to the pilot program, the Commission estimated that it would take 5000 staff hours for each new LCP and 4500 staff hours for each comprehensive update. However, the actual time required for new LCPs and comprehensive updates that were successfully completed during the pilot show that new LCPs require approximately 8860 staff hours, and comprehensive updates require 6820 hours. Therefore, the collaborative process with local governments, which has proven successful, requires adequate staffing to implement. Table 2 shows that it would take approximately 771 personnel years to complete the anticipated workload using the collaborative process. The 25 limited term positions in the pilot have been critical to the successes to date, but additional ongoing staff resources will be necessary to ensure successful implementation over the long term.

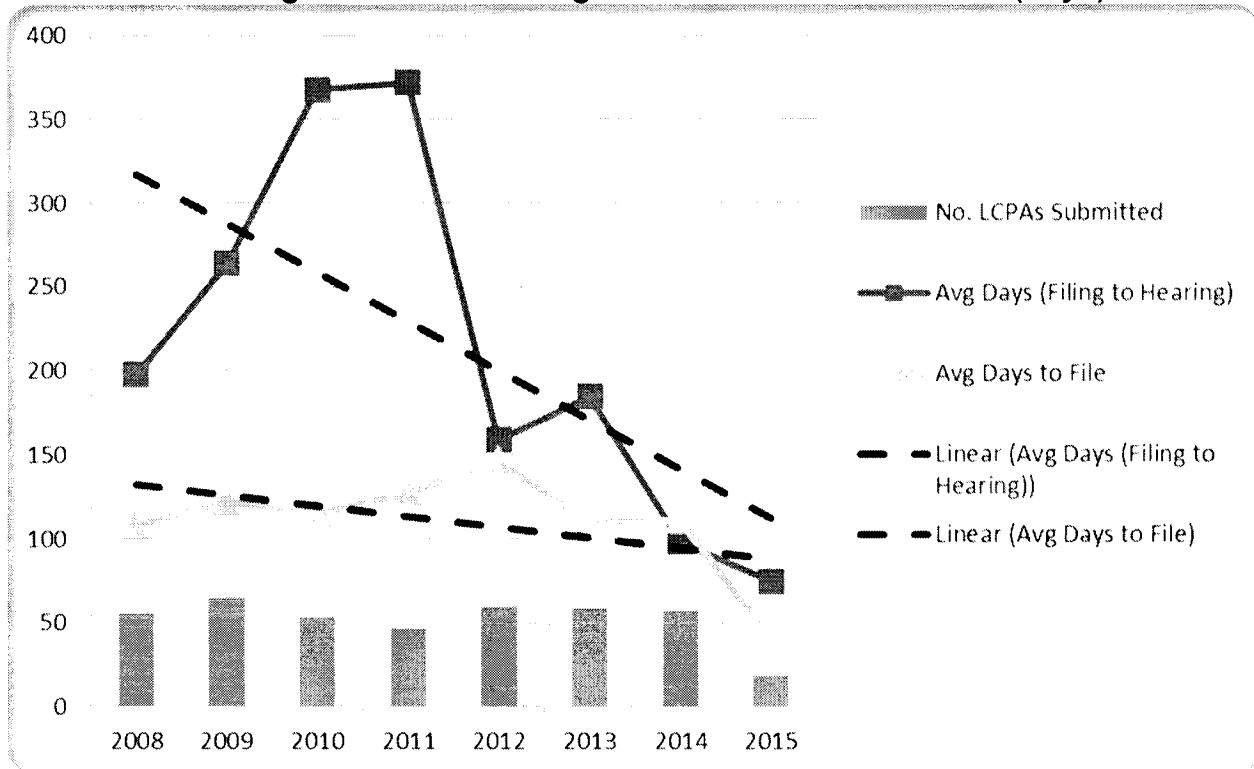
Finally, in addition to early coordination and communication with local government, it is important to note that public participation is critical to the success of the LCP planning process and a fundamental aspect of Coastal Act implementation. Public participation can be time consuming, but it is important that local governments and the Commission provide the opportunity for local communities to help shape the LCP. Commission staff time is needed to participate at both the local hearings and Commission hearings on these matters.

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<sup>2</sup> Figure D.2 also shows that the average time to bring a LCP amendment to hearing, which was already high, increased significantly during the peak staff furlough years, demonstrating the direct relationship between staff capacity and processing efficiency.

<sup>3</sup> Part of this increase of LCPs pending locally may also be due in part to better data collection and tracking.

Figure D.2 Processing time for LCP Amendments (days)



Note: 2015 LCPAs submitted as of June 30, 2015

**4. The Pilot Program Initiated Critically Important Work.** The success of the state's investment in the pilot program has resulted in a burgeoning workload because it has facilitated the initiation of critically important LCP planning work. The FY 13-14 and FY 14-15 Commission's LCP Grant Program (Local Assistance funds) will result in 9 new LCPs, 7 comprehensive updates, 7 large LCP amendments, and certification of four areas of deferred certification (ADCs). To handle this work generated by the LCP grants alone will require approximately 167,080 staff hours (or 93 personnel years) of staff work to process the related LCP applications (see also Table 2). In addition to the Commission's LCP Grant Program, local governments up and down the coast of California are facing increasing pressure to develop and adopt updated planning policies as the LCPs are an average of nearly 25 years old and the issues related to climate change and sea level rise adaptation are growing more urgent. Commission staff is currently working on a major workload of 54 new LCPs and comprehensive updates, but 72 more will coming in the future, followed by subsequent updates to address the future changing conditions.

As previously discussed, processing this current and future workload in an efficient manner that ensures protection of coastal resources while allowing for economic growth will not be possible without converting the temporary LCP pilot program of FY13-14, FY 14-15, and FY 15-16 to permanent baseline funding in state operations of \$3 million and 25 permanent positions. The state has already made a significant investment in the LCP planning program and sea level rise adaptation planning, and the benefits of that investment will be significantly curtailed if the funding is not continued as part of the baseline.

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**5. Lack of long-term funding.** As previously discussed in Section B, the Commission's overall capacity to conduct comprehensive, long-range coastal planning, through the LCP process, was deeply eroded by the long-term reduction in its overall budget. Figure B.2 (above) shows that adjusted for inflation, the Commission's budget has shrunk from a high of approximately \$41 million in 1981 to \$15 million in 2013, preceding the temporary \$3 million state operations augmentation for FY 13-14, FY 14-15, and FY 15-16.

In the peak year of 1980-1981, the Commission had 212 staff positions (see Budget Funding History, Attachment E). Effective LCP planning requires significant staff time to conduct research, analysis, planning, drafting, public outreach, and coordination with local governments, other agencies, and stakeholders. The temporary augmentations for FY 2013-14 through 2015-16 restored some of the Commission's planning capacity by bringing staffing levels to 167 authorized positions. This BCP clearly shows the workload need for the conversion of the limited term 25 positions to 25 permanent baseline positions holding the Commission's total authorized position to 167. This level of funding is prudent and necessary to address the Commission's LCP planning workload.

In addition, planning in general is an iterative process. As discussed above, once LCPs are certified, it is critical that they be kept current and up-to-date. LCPs, like General Plans, need comprehensive updates every 10-20 years. More importantly, the Commission cannot process all the LCP planning items as identified in the workload chart at one time. In order to manage the workload that the Commission currently estimates, the work must be staggered over time. Consequently, converting the currently authorized positions to the baseline is critical to support this on-going work over time.

### • How will this proposal address or solve the problem?

The 25 limited-term positions authorized in FY 2013-2014 provided an important infusion of staff that can focus predominately on LCP work and work on key updates of LCPs to address climate change. However, the Commission staff estimate of 771 personnel years of LCP work from the LCP workload chart above clearly shows that the Commission needs ongoing staff resources to be incorporated as part of its baseline funding to address the existing LCP workload, on-going planning items, new work focused on updating LCP for climate change, certifying uncertified LCPs, and to keep the certified and updated LCPs current. Although we are only two years in to the pilot program, the Commission and local governments have demonstrated solid accomplishments in moving forward on key LCP work and addressing the backlog.

This BCP addresses these workload challenges and the problem by maintaining the agency's planning capacity to the level funded through the pilot program. With this baseline capacity, the Commission will be able to continue to engage in deliberate and regular collaborative planning with local governments to support the four goals of (1) certifying LCPs; (2) reducing the backlog of pending LCP amendments; (3) updating LCPs; and (4) addressing climate change.

Although complete success also will depend on the commitment of local governments to complete these tasks, the additional local assistance monies made available through the LCP grant program have already jump-started the capacity of local governments to address these goals. With increased planning capacity, conflict and delays have been reduced, and the economic development plans as laid out in certified LCPs can more readily go forward (see

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Case Studies in Attachment C). Resource protection and public coastal access will also be enhanced through completed or updated LCPs.

The LCP workload will need to be addressed on an ongoing basis, as it takes several years or more for a new LCP or significant LCP amendments to make their way through the local planning process and the Commission's review. This is particularly true for the many pending new LCPs and comprehensive LCP updates that will be critical to addressing economic development, resource management needs and climate change impacts along the coast.

Even with the BCP funding, the Commission will be working at capacity to process LCP updates and the steady flow of regular LCP amendments. As discussed above, after all LCP segments have certified LCPs, and all LCPs are updated to address sea level rise, many LCPs that were updated initially will need to be revisited to address future issues facing coastal management. The LCP planning horizon is 10 to 20 years. Therefore, this proposal requests incorporation of the current budget augmentation into baseline funding for the LCP program.

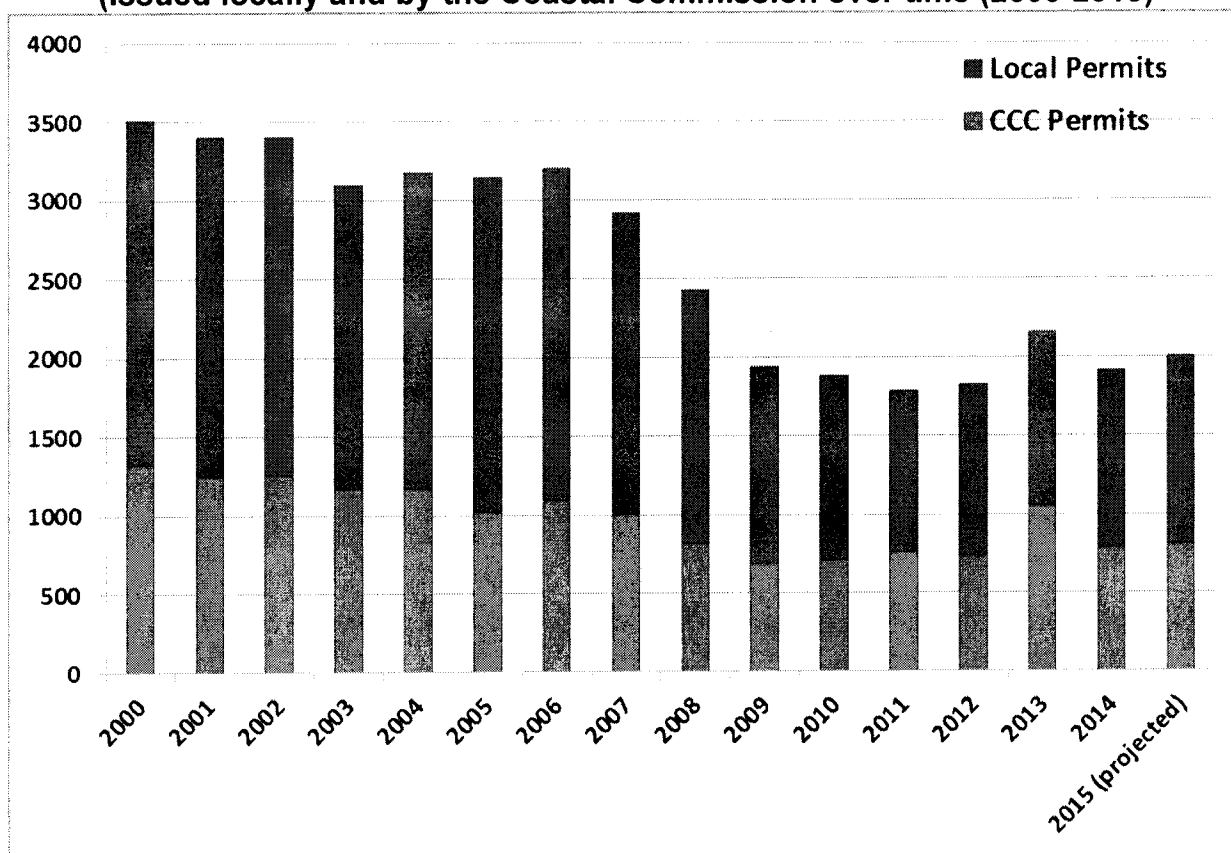
### **•What are the adverse impacts if this proposal is not approved?**

If the proposal is not approved, the Commission will not be able to make timely progress toward completing and certifying uncertified LCP segments, areas of deferred certification or address climate change. The number of pending LCP amendments and processing time for LCP amendments will likely return to the rates that were common prior to the pilot. Most significantly, the Commission will be required to terminate the 25 positions hired under the FY 13-14, FY 14-15, FY 15-16 temporary pilot augmentation and the capacity of the Commission staff will drop sharply. In addition, the Commission will not be able to maintain the level of effort to engage in collaborative planning with local governments.

In particular, while local governments will be working on new LCPs and LCP updates using the Local Assistance monies approved for the previous two years and upcoming three years. Without continued funding in the baseline, there will be inadequate levels of staffing for the Commission staff to be able to participate in this work effectively. Thus, the local assistance grants may actually increase frustrations with the LCP program, and may increase conflict leading to a decrease in successful completion of LCP planning work. A substantial amount of investment in state funds has been and will be made in the LCP Local Assistance grants. It is critical that there is adequate Coastal Commission staff available to work with local governments to carry out these grants.

Given that the Commission's coastal development permit load is likely to continue increasing as the economy continues to improve from the last recession in the late 2000s (Figure D.3 below), the Commission will have even fewer staff resources to allocate to LCP work.

**Figure D.3. Number of Coastal Development Permits  
(issued locally and by the Coastal Commission over time (2000-2015))**



Note: Project is based on first six months of data.

**• Why is this solution the highest and best use of resources? Why does this have to be done now? Can it wait?**

This proposal is the best use of resources currently because the LCP program is at a critical juncture. LCPs are increasingly out of date, and not responsive to changing local and environmental conditions. California must begin to plan for climate change as it will take multiple years to implement adaptation planning for the entire coast. More practically, this is an ideal time to maintain the increased internal staff capacity of the Coastal Commission through converting the limited term new hires funded with the FY 2013-14, FY 2014-15 and FY 2015-16 augmentation to permanent positions to implement the ongoing LCP work.

These new staff members have gone through extensive orientation and training on coastal permitting and LCP planning. Like many public agencies, the Commission is facing an unprecedented loss of staff experience as approximately 74 of its current approximately 167 authorized positions are already eligible for retirement and 30-40 experienced productive staff members will retire in the next one to five years.

Converting temporary funding to baseline permanent funding now will facilitate wise succession planning for California's nationally and internationally recognized premier coastal management program by enabling the transfer of knowledge and experience from one



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generation to the next. Succession planning is also identified as a high priority in the Coastal Commission's 2013 – 2018 Strategic Plan (Objective 7.5). Completing LCPs that are not currently certified will reduce the Commission permit workload and improve efficiency at the local level.

### • **What relevant and current facts and figures support the recommendation?**

Table 2 (LCP Workload Staff Estimates) shows the workload that the Commission faces to effectively implement its program. The case studies (Attachment D) illustrate the importance of early collaborative planning to achieving successful LCP completion and updates; minimizing conflict and increasing economic efficiency; and to providing effective resource management. Recent data illustrates that the Commission has made and will continue to make progress even in the short time that the increased staffing has been available (see for example, Figure D.2 and Figure E.1). The LCP grant requests received from local government illustrate the strong demand and need for LCP completion and updating (46 requests for over \$8.5 million). There is a clear and compelling need to begin adaptation along the coast (see Flood Risk, Figure D.1 and discussion above).

### • **Provide the methodology used to quantify the program/proposal objectives.**

The methodology to quantify the Commission's program objectives involves monitoring processing time and outcomes for LCP amendments, including the extent to which LCPs will be completed and updated. Currently 27% of existing LCP segments (34) do not have LCPs. Reducing the number of total areas without a LCP will be a measure of success. Similarly, LCPs in place are on average nearly 25 years old. Increasing the number of updated LCPs to address current coastal resource management concerns will be another measure of success (i.e. reducing the average age of LCPs). Increasing the number of LCPs that address climate change adaptation, either through a new LCP, a comprehensive update, or a separate amendment, will also be an important measure of success. Further reducing the backlog of LCP amendments, and further maintaining the reduced overall processing time, will be another measure of success. See also discussion on success of pilot in Section B.

### • **Why should the Administration prioritize this request over the department's other program activities including those activities that rely on the same funding source?**

The Commission allocates its available staff resources across its core statutory responsibilities, including LCP planning, coastal development permitting and appeals, monitoring local coastal permitting, and other necessary agenda and regulatory work, including potential federal consistency review of developments in federal waters that may impact state resources, such as offshore oil and fracking, and enforcement of the Coastal Act. With constrained staffing, LCP planning suffers and is often "pushed out" by more pressing regulatory work with statutory deadlines. LCP planning demands dedicated staff time to focus on in-depth research, analysis, planning, coordination with local government and public outreach. This planning effort will result in progress on numerous Administration priorities, including climate change adaptation and drought and water resource management. This BCP targets enhancing this specific function of the agency by effectively freeing up staff time for this work. There is an added benefit to investing now in LCP completion, as this will directly reduce the permitting load of the agency, further freeing up staff time to invest in planning issues of statewide importance, such as climate change adaptation and water resource management.

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- **How is the proposal consistent with the use and purpose of the funding sources requested? Are there other funding sources that could be used for this purpose?**

The Commission implements the California Coastal Act, a public law passed by the Legislature in 1976 and signed by then Governor Brown to assure the provision of public access and recreation to and along the coast, protection of sensitive coastal resources, and provision of priority coastal developments such as commercial fishing and boating and coastal-dependent industrial development. The Commission is thus charged with protecting public resources that benefit all Californians. It is appropriate, therefore, that this work be funded by the General Fund.

The Commission does collect permit fees from development applicants, which is also appropriate. These permit and filing fees are deposited in the Coastal Act Services Fund. These fees are nowhere near sufficient to support the necessary funding levels on a long term basis. The Coastal Act Services Fund (3123) provides approximately \$675,000 per year for Coastal Commission operating expenses and \$500,000 (plus CPI) per year to the State Coastal Conservancy. The Coastal Act Services Fund reserves were used in FY 14-15 and FY 15-16 to provide \$2 million per year to fund a portion of the FY 14-15 and FY 15-16 LCP pilot augmentation. This \$4 million in appropriated funds from the Coastal Act Services Fund will deplete the reserves from the fund. Therefore, the Coastal Act Services Fund is not a viable source of funding for this BCP.

The Commission appropriately does not charge its local government LCP planning partners for processing LCPs and amendments, and local governments already incur significant costs of their own addressing the statewide requirements of the Coastal Act.

The Commission has looked for other funding sources to support its core program work (see Alternatives discussion in Section F), and it has maximized opportunities for special funding arrangements, such as with Caltrans and the private sector (see Del Monte Forest case study Attachment D). Focused funding like this may be available for specific projects in the future but not at the levels necessary to support the anticipated LCP workload demands over multiple years.

- **What is the public need for the request?**

The public need for this request is directly related to the environmental resource management and economic benefits associated with LCP planning and implementation. Eliminating the LCP backlog and improving processing time is good for local and regional economic development. Updating LCPs will provide for needed economic development that may not have been contemplated when the LCP was originally developed for many of the currently certified LCPs. It will also remove uncertainty about environmental and other changed conditions that causes conflict and delay in development and also results in poor resource management (see Del Monte Forest case study, Attachment D). Investing in proactive climate change adaptation planning and water resource management is a smart investment for the state to make in community resiliency and adaptive capacity. Without such planning, the public will face increased ad hoc and expensive emergency response to coastal hazards exacerbated by climate change, as well as unnecessary loss of important coastal resources, including beaches and wetlands.

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- **How does the proposal affect external clients? Identify positive and negative effects. (e.g., change fees, improve processing time, increases transparency) If applicable, include statements/information from stakeholders.**

Local governments are a critical partner in implementation of the Coastal Act. Even though they are external to state government, the Commission's partnership with local governments is critical to the success of the program. The BCP will benefit local governments on numerous fronts. First, certifying LCPs that are currently uncertified will result in delegation of permit authority to local governments and streamline the process for permit applicants at the local level. Second, the proposal will support reduced processing times for LCP amendments.

The proposal also supports increased communication and information exchange by increasing the capacity of the Commission planning staff to work directly and collaboratively, as well as more frequently, with local governments and stakeholders, including the development community. This in turn will likely reduce planning and regulatory conflict, thereby increasing successful planning and economic development outcomes. The additional planning capacity will increase understanding of the resource management issues in specific cases and communities, and promote increased cooperation and successful development and environmental planning (see case studies, Attachment C). The Commission does not foresee any negative impacts on external stakeholders.

- **How does this address a long-term or short-term need or a combination of both? Explain the timeframe for this problem or solution.**

As discussed, this proposal addresses both a short-term need to address the LCP planning backlog and improve efficiencies, as well as an immediate and long-run need to complete LCPs, update LCPs, and address climate change.

LCP planning is complex, involves many challenging issues and multiple stakeholders, and requires deliberate balancing of state and local interests to assure that economic development can go forward while protecting coastal resources. As shown in Table 1 there is currently an estimated 771 personnel years of LCP work to complete. Spread over ten years this would be equal to 77 personnel year annually; over five, 154 PY. **At the requested staffing level of 25 permanent baseline positions, the work would take 25 to 30 years to complete.**

Therefore, when the pending workload is complete, it will be time again to update the LCPs to address future circumstances. To address this ongoing need, this proposal requests baseline funding for 25 permanent staff positions.

- **What are the legal implications of this proposal - past and future?**

The proposal does not raise any known direct legal concerns. It will result in changes in LCPs, which include enforceable land use policies and ordinances that direct development in the coastal zone. It will likely result in the development of LCP policies and ordinances that can be used as models and translated to other places, further increasing planning and regulatory efficiencies.

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- **What actions from other governmental entities are required for implementation? (e.g., federal approval or state regulatory agency)**

Successful LCP planning requires collaboration and participation by local governments. The likelihood of this occurring is increased by the availability of local assistance funding, but even without local assistance funding, numerous local governments are proceeding with significant LCP planning work (again, see Table 2). No federal or other state regulatory approvals is required, though continued funding from the federal Coastal Zone Management Act State Grants program (under NOAA) is essential to the on-going planning and regulatory capacity of the Commission.

- **Does law need to be added, amended, or repealed? If so, attach applicable statutory changes.**

No changes in law, other than anticipated completion, processing, and updates to LCPs themselves, is required.

- **Why should the state assume responsibility for this change? (Why not private, federal, local, etc.?)**

The Commission implements the California Coastal Act, a state law that embodies fundamental resource management and coastal development goals and objectives of the state. The program provides a public benefit to all Californians, not only those who live in the coastal zone. The program is fundamental to protecting the coast and ocean economy of the state, including tourism and recreation, and it will be at the forefront of implementing sea level rise adaptation measures over the coming years.

The coastal economy is estimated at \$40 billion/year, which is a significant benefit to the state. The private sector supports some of the program through permit fees. Local governments share significant implementation costs already, by funding much local LCP planning work implementing LCPs and regulating coastal development consistent with the Coastal Act (see tables is Attachment G – Projection of Estimated Local Government Costs to Update LCPs, Complete Certifications and Address Sea-Level Rise in LCPs). The federal government also provides critical funding to support the Coastal Commission's overall program (approximately \$2 million/year).

- **What clientele is being served? Who benefits?**

See above. The Commission's LCP program provides benefits to all Californians by providing effective coastal resource management and facilitating sustainable economic development in the coastal zone. Public access and recreation are fundamental values and benefits for all citizens. Responsible investment in coastal resilience, community planning and climate change adaptation will benefit both the economy and the environment. The development community and local governments will benefit from increased efficiencies. Stakeholders and the public will benefit from increased transparency and participation opportunities.

## Analysis of Problem

- **Are there examples from other states or institutions where this or similar approaches have been undertaken?**

California is a recognized national leader in coastal management (see Lester, C., *CZM in California* (2013) Attachment F). The LCP program is a fundamental component of this success. It is well recognized that adequately funded planning programs are more likely to deal successfully with environmental resource management challenges and facilitate economic development by being responsive to changing needs (e.g. mixed-use, transit-oriented development, smart growth). The augmentation of LCP funding for FY 13-14, FY 14-15 and FY 15-16, while recent, is already beginning to realize benefits to the LCP program. (See Commission's organizational chart - Attachment G.)

## E. Outcomes and Accountability

There are four fundamental expected outcomes of this proposal:

1. on average, processing completed LCP amendment applications in 180 days or less;
2. increasing the number of certified LCP segments;
3. increasing the number of LCPs updated wholly or in part and certified;
4. increasing the number of LCPs that address sea level rise and other impacts of climate change.

As detailed below, the degree to which the Commission is successful on these outcomes will be directly related to the amount and duration of funding and proper staffing levels for the necessary work of the alternatives discussed in Section D. Given the success of the pilot program to date, and the burgeoning workload the Commission is facing, the most effective use of state resources is to fund 30 positions on an ongoing basis, as part of the Commission's baseline budget. With sustained funding, the progress made in the Pilot program (FY 13-14, FY 14-15 and FY 15-16) will continue, allowing for collaborative planning with local governments to ensure LCP planning work is performed efficiently and climate change adaptation measures are developed and implemented. If funding is not extended beyond the current fiscal year, the backlog, increased conflict, and delays will resume; fewer LCPs will be completed over a longer period of time; and LCPs are less likely to be updated, including with respect to climate change.

- **How will improvements or changes be measured?**

In 2012, the Commission implemented a Coastal Data Management System (CDMS), funded by Violation Remediation Account monies secured by the Commission through its enforcement program (deposited in State Coastal Conservancy Fund 0565 and appropriated to the Coastal Commission for FY 2011-12 and FY 2012-13). The new system provides more comprehensive and reliable information management, including data collection and monitoring related to LCP planning than our previous out-of-date permit tracking system offered. The Commission has seen significant improvements in its capacity to monitor and analyze data and metrics related to program implementation.

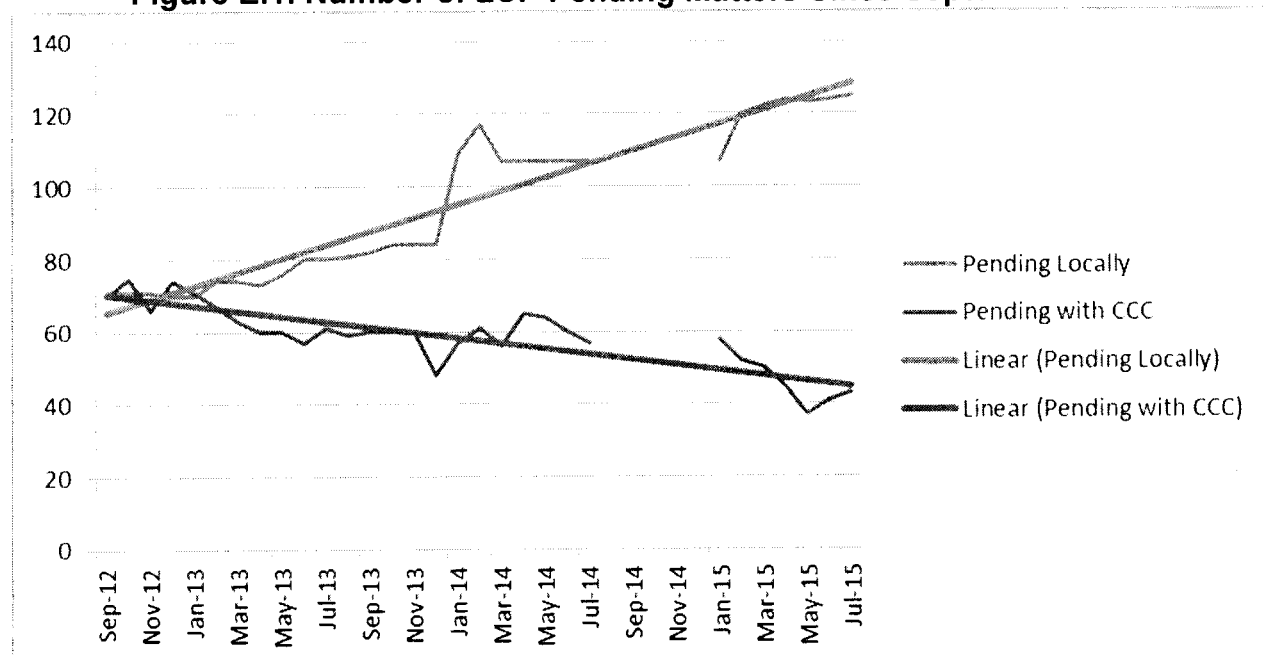
## Analysis of Problem

### 1. LCP Application Processing Time

Figures D.2 and E.1 (below), show that the Commission has made significant progress in reducing the *number of actively pending LCP amendments* (submitted to the Commission awaiting a hearing) over the last year. The Commission will continue to monitor the monthly status of pending LCP items, and with continued enhanced staffing levels, projects being able to maintain LCP amendment application processing time (from filing to hearing) at an average of 180 days or less.

Improvements will also be measured by tracking the *total number of LCP amendments* pending both locally and with the Commission both filed and unfiled (awaiting information from local government). The Commission will always need to process on-going LCP amendment submittals (currently estimated at 55/year on average). The program goal will be to keep processing times at a reliable and stable level. *Total LCP actions and outcomes* (e.g. approved as submitted by the local government, approved with modifications to the submittal, etc.) will also be counted and overall *approval rates* analyzed. *Average processing time* will also be measured. Overall, the measurable goal will be to maintain LCP application processing efficiency.

**Figure E.1. Number of LCP Pending Matters Since September 2012**



Note: Part of this increase of LCPs pending locally may also be due in part to better data collection and tracking.

### 2. LCP Certification

34 planning segments do not have a certified LCP (see Table A.2 in Attachment A). The Commission will track the progress on pending new LCPs in development, including those supported by recent local assistance LCP grant awards. Currently, there are 16 LCPs pending locally. Over the next five years the Commission projects completing approximately 15 new LCPs, contingent on the amount and duration of program funding, local government capacity and commitment to pursue LCP certification, and the number of comprehensive LCP updates

## Analysis of Problem

processed. Table 1 shows that LCP certifications require approximately 8860 hours of staff time. Processing 15 LCPs over a five year period would therefore require approximately 15 staff positions per year, or half of the staff resources requested in this proposal. In the next several years, staff will need to work on numerous certifications that are at various stages of development, and therefore, the number of LCPs processed will be fewer at the beginning. However, the number of certifications will likely increase over time as the upfront investment in the collaborative planning process results in increased efficiencies in working with local governments and processing LCP certifications.

### 3. LCP Updates

Similar to LCP completion, the Commission will measure improvements in LCP updates by tracking on-going LCP update work, including level of coordination (meetings) and ultimate success rate (*number of Updates completed over time*). Again, all other things being equal, the extent to which local governments and the Commission are successful will be directly related to the extent and duration of dedicated LCP planning funding. As shown in Table 1, there are currently 38 major LCP updates known to be pending locally or with the Commission. The Commission currently projects being able to complete approximately 15 of those over the next five years, contingent on the amount and duration of program funding, local government capacity and commitment to pursue LCP updates, and the number of new LCP certifications processed. Table 1 shows that each comprehensive LCP update requires approximately 6820 staff hours to process, and therefore completing 15 updates over five years will require approximately 11 personnel years per year, or approximately one-third of the staff resources requested in this proposal.<sup>4</sup> Similar to the workload for new LCPs, the number of LCP updates processed will be fewer in the first several years, but will increase over time. Also, similar to LCP amendments generally, the Commission will track the *processing time* for each update, the degree of *coordination*, and *outcomes* (approved, approved with modifications, etc.)

### 4. Addressing Climate Change

The Commission is currently engaging local governments on climate change issues whenever LCP planning opportunities to do so arise. To date, the Commission has updated 13 LCP segments with basic policy direction for planning and new development to address sea level rise projections and impacts using best available science. However, none of these LCPs include the comprehensive climate change adaptation policies that are necessary to fully address the substantial risks that sea level rise poses to our coastline.

On August 12, 2015, the Commission adopted its *Sea Level Rise Policy Guidance Interpretive Guidelines* and will work with local governments to have all new LCPs and LCP updates address sea level rise. As new LCPs are developed and completed, and as existing LCPs are comprehensively updated, local governments and the Commission will be able to address climate change concerns more systematically.

LCPs need to be updated both in terms of the basic land use policies and ordinances that will address climate change impacts such as sea level rise, and in terms of coastal adaptation planning. Climate change work is very intensive, involves conducting vulnerability

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<sup>4</sup> The remaining four personnel years will be needed to ensure processing of LCP amendments (small, medium and large) maintains efficiency, to assist with and coordinate climate change adaptation planning, and to manage the LCP planning grants.

## Analysis of Problem

assessments, and updated community planning to identify present and future land use scenarios and alternatives for responding to sea level rise and climate change. Many local governments have begun or are committed to this work, but the degree to which it is successful will depend on the planning resources available to local governments and the Commission. Nearly all of the recently funded LCP grants, for example, include a component for addressing climate change.

The Commission will monitor LCP amendments, new LCPs, and LCP updates and track the extent to which each local jurisdiction addresses climate change concerns. For example, a matrix of climate change goals may be used to assess the degree to which communities have updated their LCPs or have a LCP in place to address various planning and development concerns. In addition, the Commission is already tracking and reporting the number of LCP amendments or new LCPs that address sea level rise to its state and federal partners.

Finally, the Commission will work closely and collaboratively with other state agencies and local governments to share information lessons learned and LCP policies and ordinances that are transferable or adaptable to multiple communities or regional areas.

### **• What controls will be in place to ensure the appropriate use of the requested resources or authority?**

As a part of the LCP augmentation funding for FY 13-14, FY 14-15, and FY 15-16, the Commission has established a new LCP management structure for the six District offices, with co-ordination and oversight by the Commission's Senior Deputy Director. This includes both managers and supervisors charged with assuring the allocation of staff time to the anticipated LCP amendments, completions and updates. Staff time allocated to LCP work is being specifically tracked via PCA codes on monthly timesheets to assure that the additional funding is allocated to LCP work. Regular (monthly) reporting to the Executive Director and reporting to the Commission in public hearing (e.g. quarterly) will also occur, assuring on-going accountability for maximizing opportunities for reaching program goals.

### **• How will the requested resources be accounted for and monitored?**

Staff time allocated to LCP work will be tracked on monthly timesheets to assure that the additional funding is allocated to LCP work. Regular (monthly) reporting to the Executive Director and the Commission in public hearing (e.g. quarterly) will also occur, assuring on-going accountability for maximizing opportunities for reaching program goals.

### **• Will there be progress and/or outcome reports completed? If so, how often and to whom will they be distributed?**

Regular (monthly) reporting to the Executive Director and the Commission in public hearing (e.g. quarterly, semi-annually or annually) will occur, including in relation to already anticipated reporting on implementation of the Commission's Strategic Plan. This includes reporting on Goal 4 of the Strategic Plan (Enhancing the LCP Program) which directly relates to the objectives of this funding proposal. (See also Strategic Plan discussion in Section C.) LCP program progress will be tracked and available on the Commission's website. The Commission will prepare status reports to the Administration and to the Legislature on progress on any LCP Program funded through this BCP.



## Analysis of Problem

**Table 4  
Projected Outcomes**

<b>Workload Measure</b>	<b>CY</b>	<b>BY</b>	<b>BY+1</b>	<b>BY+2</b>	<b>BY+3</b>	<b>BY+4</b>
New LCP Certifications	0	2	2	3	4	4
Comprehensive LCP Updates	2	2	2	3	4	4
Number of LCPs that Address Sea Level Rise	15	19	23	29	37	45
Number of LCPs with Comprehensive Climate Change Adaptation Policies	2	6	10	16	24	32
LCP Application Processing Time (filing to hearing)	<180 days	<180 days	<180 days	<180 days	<180 days	<180 days
Number of LCP Segments requiring Post-Certification Monitoring	92	94	96	99	103	107
Number of Locally Pending LCP Amendments	138	142	146	152	160	168
Total Number of Pending LCP Amendments	184	188	192	198	206	214

Note: The figures in this table assume that work pending at the local level will continue through the process to certification.

Note: The figures showing the 'Number of LCPs that Address Sea Level Rise' and the 'Number of LCPs with Comprehensive Climate Change Adaptation Policies' represent the total number of LCPs with such policies, not the total number that will be completed each year.

Note: The estimate for the future number of LCP Amendments is based on assumptions that: (1) the number of LCP Amendments per certified LCP segment will remain at 2 amendments for each segment, and; (2) the number of LCP Amendments pending at the Commission will remain at the current year average of 46, because if funding continues, LCP Amendments will be processed within 180 days and will not create a backlog. These assumptions are based on the best available current information but may be subject to change in the future.

### F. Analysis of All Feasible Alternatives

**Alternative No. 1: Preferred Alternative: Conversion of FY 13-14, FY 14-15, FY 15-16 temporary pilot program to baseline funding of \$3 million and 25 permanent positions for enhanced Local Coastal Program planning.**

This funding BCP thoroughly describes and requests the funding of \$3 million General Fund for state operations for enhanced Local Coastal Program work to be a part of the Commission's baseline budget.

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The Coastal Commission and its staff have moved forward quickly and assertively, and in close consultation with DOF staff, since the initial LCP augmentation was approved for the FY 13-14 budget year and funding was available on July 1, 2013. Staff has been hired, trained and began working on accelerating and prioritizing all LCP work. The Commission adopted grant guidelines, issued a call for grant submittals and approved 11 grants to local governments totaling \$1 million for FY13-14. These grants to local governments were issued to local governments through standard state contracts. All contracts for FY13-14 grants funds were issued by April 2014 and these grant funds must be spent by June 2016 (unless requested reappropriation is approved). The Commission approved the FY 14-15 in November 2014 and all contracts were issued by June 2015.

The Ocean Protection Council (OPC) requested that the Commission take over the Administration of implementation of OPC's second round of sea level rise LCP grants. The Commission has entered into an interagency agreement with the OPC to administer the OPC grants and to work with local governments with the Commission grants and the OPC grants. The Coastal Commission staff is responsible for 24 separate grants to local governments. That number will increase significantly when the grants funded in FY 15-16, FY 16-17, and FY 17-18 are issued.

Throughout the contract period of the local assistance grants from the Commission and OPC, Coastal Commission staff will work closely with local government to ensure that grants are well spent and so that the products lead to new LCPs or updates of old LCPs. When local governments complete the two years of work under the contracts many will have updated LCP segments ready to submit to the Commission for formal public hearing and certification.

Table 2 of the BCP documents a workload of 771 person years of Local Coastal Program work. There is clearly an ongoing need for baseline funding of 25 staff members to raise the total authorized Commission positions to 167 (160.2 regular positions and 6.8 temporary positions). This number is still well below the Commission's peak staff of 212 in FY 1980-81 during initial LCP preparation. The average age of the LCPs is nearly 25 years and it is critical that there be a sustained level of baseline funding and staffing to have all LCPs on a cycle of comprehensive updates to address climate change and other Coastal Act provisions. The level of staffing is the minimum needed to work effectively with local governments to efficiently develop and process Local Coastal Programs.

### **Alternative 2: Ten year baseline funding (FY 16-17 through FY 26-27) with 30 permanent staff positions**

The Commission strongly believes that based on Coastal Act mandates, workload projections, and state level considerations related to ongoing climate change challenges it is critical to provide ongoing baseline state operations funding for at least 30 permanent staff members and operating expenses. The shortest period of time for significant return on the investment of funds for grants and staff will be at least an additional ten years. Five years of LCP grants have been approved. (General Fund: FY 13-14 & FY 14-15; Proposition 40 Bond: FY 15-16, FY 16-17 and FY 17-18.)

### **Alternative No. 3: Terminate all augmented state operations LCP funding as of June 30, 2016 and terminate 25 staff positions.**

This is the alternative that will be implemented if this BCP is not approved. This alternative will mean the termination of the 25 limited term positions added to the Coastal Commission's FY 13-

## Analysis of Problem

14, FY 14-15 and FY 15-16 budgets for LCPs. This would result in the curtailment of the focused work with local governments to prepare new LCPs and update all LCPs to address sea level rise and climate change. The Commission's authorized positions will drop from 167 to 142 authorized positions. The Commission management will be required to assign the reduced number of available staff on the regulatory workload required by statute and the most pressing LCP work. Accelerated forward momentum to address key LCP planning work will end.

Termination of limited term staff and staff layoffs would need to begin in early 2016 as the position reduction process takes many months and it would be necessary to take actions to reduce 25 positions by June 30, 2016. The Commission hired the majority of the new positions as limited term. Civil Service rules only allow the use of limited term status for a particular position for a maximum of two years. Therefore, many of the supplemental staff hired that have chosen to stay at the Commission have been converted to permanent employees. New staff are being hired to replace staff who have left are being hired as limited term.

As described in this BCP, prior to the augmented funding in FY 13-14, Commission management already thoroughly evaluated staff assignments and redirected as many staff hours as possible away from permit work to local coastal programs. No further reassignments are possible with the Commission's statutorily mandated regulation responsibilities. The Commission does not have any ongoing vacant positions.

Local governments are in strong support of the LCP funding augmentation and the cessation of the funding will halt or severely slow down the momentum in local communities to address climate change adaptation in local coastal programs putting local communities at a much higher risk of damage from increasing hazardous conditions as the effects of climate change increase. Climate change is predicted to make periods of drought more common in California and the current drought is a vivid reminder of the urgency of addressing climate change in local coastal programs. Postponing the needed overhaul of LCPs to address increased water conservation and sea level rise issues is not in alignment with the Administration's *Safeguarding California Plan* nor is it in alignment with the Governor's Executive Orders on climate change and the drought and does not meet the clear need to be proactive in preparing for climate change (see Section C).

The regulatory workload dropped during the state's economic recession and is now on the upswing again, requiring increasing amounts of Commission staff resources. If the funding is terminated, local governments will not get the ongoing assistance they need to work on their Local Coastal Programs. Local governments have geared up to work on LCPs with the Commission and are investing a large amount of local funds on LCP planning work. If the funding is terminated now, there will not be adequate staff available to support local government staff and implement already issued local assistance grants and the next three years of grants.

### **Alternative No. 5: Alternative funding sources.**

The following is an exploration of other funding sources that could be considered as alternatives to or in combination with General Fund.

The Legislature has considered numerous alternative revenue options for the purpose of creating a sustainable, long-term, non-General Fund revenue source for the Coastal Commission's core program work including Local Coastal Programs. Some of these past legislative efforts include:

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- **State Tidelands Revenue.** State tidelands revenues from oil and gas leases on state lands are collected by the State Lands Commission (SLC), and deposited into the General Fund. However, from 1997 until it was repealed in 2006 during the early stages of the recent recession, tidelands oil revenues provided funding for a variety of environmental, educational and housing programs. The recipients and amounts were determined annually through the budget process.

In 2013, Senator Leno introduced SB 461, which would have created the Coastal Adaptation fund, not to exceed \$10 million, for expenditure by the Ocean Protection Council, State Coastal Conservancy, California Coastal Commission, Department of Fish and Wildlife, State Lands Commission and the San Francisco Bay Conservation and Development Commission, for the purpose of preparation, planning and implementation of measures that address sea level rise and climate change, consistent with California's Climate Adaptation Strategy. The author introduced this bill to create an additional funding source for coastal management agencies to plan for adaptation strategies that address sea level rise and its associated impacts. The bill did not pass out of the Assembly Appropriations Committee.

SB 461 would have been a partial reinstatement of policy enacted in 1997, when the Legislature approved and the Governor signed SB 271 (Thompson) and would have provided dedicated funding specifically for addressing sea level rise planning through LCPs. Because this bill re-established the principle of dedicating lease revenues from oil extraction activities on state tidelands to specified expenditures, it was opposed by the Department of Finance. State tidelands revenues historically generate between \$250 and \$350 million per year.

The Department of Finance considers State Tidelands revenue as General Fund revenues.

The Senate Budget Committee's Overview of the 2014-15 Budget Bill identifies state tidelands revenues as a potential funding source, as actual 2014 numbers exceed projected revenues. According to the Senate Budget report, an additional \$2 million per month in Tidelands Revenue, that had previously been deposited into another special fund for Long Beach well abandonment is now being collected by the SLC. While all tidelands revenues are considered part of the General Fund, this new increment was previously dedicated to a special fund until late last year, and is more than enough to cover the costs of the LCP program. The report can be found here:

[http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/overview/Overview2014\\_15BudgetBillSB851.pdf](http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/overview/Overview2014_15BudgetBillSB851.pdf) - included in the Attachments as Attachment H.

- **Administrative Penalties.** The major focus and purpose of administrative penalties is to deter violations and to add efficiency to the enforcement process by reducing the number of court cases. In 2009, Assembly Member Ruskin introduced legislation that would have given the Commission administrative penalty authority as well as providing additional funding for the Commission. AB 226 would have allowed the Commission to retain court-imposed penalties currently deposited in the Violation Remediation Account at the State Coastal Conservancy and would have also given the Commission new authority to impose and retain administrative penalties. Both administrative and court-imposed penalties would have been deposited in the Coastal Act Services Account, and be subject to appropriation by the Legislature for the purpose of Coastal Act implementation. The bill was vigorously

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opposed by a coalition of industry groups, including the California Realtors, Chamber of Commerce, and the Farm Bureau. In response the author amended the bill to direct the penalties to the State Coastal Conservancy, rather than the Commission, despite the fact that all other state agencies with the same authority retain their penalty revenues. Despite strong support from environmental groups and amendments that directed the penalties to the State Coastal Conservancy and removed opposition from the League of Cities, the bill failed passage on the floor of the Senate.

In June of 2014, the Coastal Act was amended to provide the Coastal Commission the statutory authority to impose administrative penalties for violations of the Coastal Act's provisions regarding public access. This change was effectuated by the addition of Public Resources Code Section 30821.

Section 30821 was added as part of a 2014 budget trailer bill, through the leadership of Assembly Speaker Toni Atkins. Earlier proposals to establish such an authority would have provided for administrative penalties for all violations of the Coastal Act, but the final bill was narrowed to apply only to public access-related violations. In the year since Section 30821 became law, the Commission's Enforcement program has developed and begun implementing a program to identify and address violations of the Coastal Act's public access provisions using this authority. As part of this effort, the Enforcement program has ramped up its investigation, outreach, and correspondence on identified access-related cases. Additionally, within this first year, Commission Enforcement staff has resolved many of these cases. All of these cases were resolved without penalties. To date the Administrative penalties has been effective in resolving violations without penalties. In the future, if penalties are obtained the penalties would be deposited in the Violation Remediation Account. The Violation Remediation Account is not a sufficient or dependable source of funds for Local Coastal Program development.

- **Permit Filing Fees Coastal Act Services Fund (Fund 3123).** The Coastal Act originally provided for all permit fees collected by the Commission to be deposited into an account reserved for the State Coastal Conservancy (SCC). In 2008, Section 30620.1 of the Coastal Act was added to create the Coastal Act Services Funds (CASF) within the Coastal Commission. As of January 1, 2009, any permit fees collected beyond the cumulative total of \$500,000 are deposited in the CASF. (The first \$500,000 adjusted for inflation yearly goes to the Conservancy). These funds are available upon appropriation by the Legislature for expenditure by the Commission. In FY 12-13 the Commission collected \$1,918,306 in filing permit fees in FY 13-14 revenue was \$1,683,362 and in FY 14-15 revenue was \$2,394,612.

During the recession the Commission deferred from seeking increased appropriations from the Coastal Act Services Fund (Fund 3123) in order to build a reserve to guard against another round of layoffs. The economy improved and it was not necessary to do another round of layoffs.

As a part of the approved Spring Finance Letter in Spring 2014 that was approved as part of the enacted FY 14-15 budget, the Department of Finance chose to use \$2 million in FY 14-15 and \$2 million in FY 15-16 from the Coastal Act Services Fund (3123) to cover a portion of the \$3 million temporary augmentation to the Commission's budget for the pilot program.

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After FY 15-16, the reserve in the Coastal Act Services Fund will be depleted and the projected yearly permit filing revenue will be needed to cover the baseline appropriation of \$693,000 that is used to fund a part of the Commission's ongoing operating expenses. We expect that due to operating expense shortfalls and increased cost for operating expenses, the Commission will need to request future BCP for operating expenses funded from the Coastal Act Services Fund. The Coastal Act Services Fund is not a viable option for long term LCP funding.

The Commission's regulations allow it to raise its fees to the annual CPI, so the ability to generate additional revenues through permit fees is limited. Any changes to the fees beyond annual CPI adjustments would require an extensive regulations change submitted to the Office of Administrative Law (OAL). The Coastal Act Services Account has the potential to accept new sources of revenue for the Commission, should such sources become available in the future.

- **Transient Occupancy Tax.** In 2005, Senator Joe Simitian introduced SB 956, a bill that would have imposed a surcharge of \$1 per room per night on all overnight stays in coastal counties. SB 956 was estimated to generate \$20-25 million per year to be divided between the Coastal Commission, Department of Fish and Game, BCDC and SCC. This would have been the first time that the Transient Occupancy Tax (TOT) was collected and distributed for non-local uses. The bill generated significant opposition from the California Hotel and Lodging Association, and was held in its first policy committee hearing, despite the support of a number of organizations.
- **Whale Tail License Plate.** SB 1411 (Mello) Chapter 558, Statutes of 1994, created the Commission's Whale Tail License Plate. By statute, after deduction of DMV administrative fees, half of the funds generated by plate sales are deposited annually to the California Beach and Coastal Enhancement Account (CBCEA), and half are deposited into the Environmental License Plate Fund. Funds in the CBCEA are allocated first to the Coastal Commission for public education programs, and then to the State Coastal Conservancy. The Whale Tail is consistently among the best-selling plates in the state. Past efforts to capture a higher percentage of plate sales for the Commission have been unsuccessful, but this was attempted in 1998 (AB 2455, Strom-Martin), 1999 (AB 809, Strom-Martin), and 2002 (AB 2162 Negrete- McLeod).

## Other Potential Funding Sources

The Commission believes there is a strong policy case to be made for the agency's LCP work to receive additional support from the General Fund even though competition for General Fund revenue is high. Subject to other priority allocations, potential alternative funding sources that could be considered in 2016-17 to support the Commission's core LCP work program include:

- **Strategic Growth Council Grants** LCPs (updates or new plans) could potentially qualify for Strategic Growth Council (SGC) grant monies so long as the LCP planning work was tailored to meet the specific goals and objectives of the SGC program. Many of the objectives of the SGC grant program (specifically the Sustainable Communities Planning Grant and Incentives Program) are in line and consistent with the policies and requirements of the Coastal Act and by extension, LCPs, including plans that: improve air and water quality, increase infill and compact development (Smart Growth), protect natural resources and agricultural lands, reduce automobile usage and fuel consumption, promote water

## Analysis of Problem

conservation, and promote energy efficiency and energy conservation. Strategic Growth Council grants do not appear to be a viable source of funds to directly fund requested Coastal Commission permanent staff positions.

- **Environmental License Plate Fund (ELPF).** The Whale Tail has consistently been among the top selling plates in the state, with 219,591 plates sold, raising \$24,058,000 for the California Beach and Coastal Enhancement Account (CBCEA) and contributing \$60,162,000 to the ELPF to date (FY 1998-99 through FY 2014-15).

As a part of the approved Spring Finance Letter in Spring 2014 that was approved as a part of the final FY 14-15 Budget, the Department of Finance chose to use \$1 million in ELPF funds to cover a portion of the \$3 million augmentation to the Commission's Budget for FY 15-16.

From FY 1998-99 through FY 2014-15, the Commission sponsored Whale Tail Plate has contributed over \$60 million directly to the ELPF. If the Administration and the Legislature do not choose to use the General Fund, the ELPF could be an alternative source of funding that the Commission's work has generated.

- **Federal Grant Support.** The Coastal Zone Management Act (CZMA) provides federal funding to coastal states with federally approved CZMA programs. The Commission has received federal funding through the CZM State Grants program since California's federal program was approved in 1979. The amount of federal funding each state receives under this program is based on a formula of population and miles of shoreline, within the overall annual appropriation amount and distributed between 34 coastal states with federally approved programs. Furthermore, the federal grant California receives is then divided between the three state agencies (Coastal Commission, BCDC and the State Coastal Conservancy) that are considered part of California's federal approved program (See Section B).

Since the 1990s, Congress has added language to appropriation bills to cap the amount of money any states receive for CZMA State Grants at \$2 million out of concerns that smaller coastal states were disadvantaged by the formula distribution of funds. In more recent years the \$2 million cap has been dropped but Congress continues to include language limiting the percent increase any one coastal state can receive in any given year. As a result, states with longer shorelines or larger coastal populations like California have essentially received a static or decreasing funding over time.

The Commission has also received less federal grant monies from the federal CZM State Grant program because of declining federal revenues and spending, including across-the-board recissions as a result of the 2013 sequestration. Federal funding for the Coastal Commission's core program activities (coastal permitting, LCP planning, federal consistency review and enforcement) has declined or stayed roughly the same over the last 5 years (see table below). In addition, the distribution of funds amongst the three CZM state agencies has changed over time; most recently, in FY 2015-16, the Coastal Conservancy received a greater portion of the grant amount for California, leaving less federal funding for the Commission's core program activities.

## Analysis of Problem

**TABLE 5. California CZM State Grants – Core Program Funding**

	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
<b>Amount (\$)</b>	\$1,993,000	\$1,992,000	\$1,876,500	\$1,992,000	\$1,996,000

Given the continuation of federal sequestration provisions in place now and into the future, it is not likely that CZM State Grant program will receive substantial increases in appropriation in the near future. While there are some new federal grant programs available that provide the opportunity for federal program funding to address climate change, overall funds for these programs are very small given the nationwide scope and applications are selected through competition not formula. Consequently, federal funds are not a reliable source of on-going support for Commission staff funding.

### Longer Term Possibilities for Funding

The following alternatives are not feasible in the current budget year, but may be a consideration for future funding at a later time.

- **Future Conservation Bonds.** The Legislative and/or the Governor could include local coastal program work in future bonds.
- **Oil Severance Tax.** California is the fourth largest producer of oil in the country with 526,000 barrels of oil per day behind Texas (2.22 million barrels of oil per day); North Dakota (769,000 barrels of oil per day) and Alaska (556,000 barrels of oil per day). As noted above, oil companies pay royalties to the state of California for the sale of each barrel of oil and gas extracted from state tidelands within state waters (three nautical miles of the coast.) However, California is the only major oil producing state that does not impose a severance tax on oil extraction on private lands. Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Illinois, Indiana, Florida, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Wyoming, West Virginia, all charge oil severance taxes. In addition, at least three cities in California have imposed local severance taxes: Long Beach, Beverly Hills and Signal Hill.

Currently, the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code) imposes a sales or use tax on the gross receipts from the retail sale of, and on the sales price of, tangible personal property, unless specifically exempted by statute. Under existing law, retail sales of motor vehicle fuel (gasoline) and diesel fuel, are subject to sales or use tax, but crude oil is not. Crude oil is a raw material and its extraction and refining does not meet the definition of "retail sale."

Legislation would be required in order for the state to collect a severance tax on California crude oil. The oil and gas industry is opposed to such a measure. Industry representatives point to other taxes and fees collected by the state, including corporate tax, the Oil Spill Prevention and Response fee, property taxes, and excise tax paid for refined gasoline. However, the Legislature has considered but not approved such legislation in the past. Senator Noreen Evans (D-Santa Rosa) introduced SB 241 in 2013. This bill would have imposed a 10% severance tax per barrel of oil and 3.5% tax per unit of gas, and allocated the revenues for higher education. SB 241 died on the Senate Appropriations Committee suspense file. The Legislative Analyst Office estimates that a 10% severance tax on crude



## Analysis of Problem

oil could generate as much as \$1.5 billion in new revenues.<sup>5</sup> If specific set-asides were called out in the legislation, the LCP program could potentially be named as a beneficiary of a portion of these new revenues.

### G. Implementation Plan

As discussed throughout this BCP, the Commission has implemented the FY 2013-14 through FY 2015-16 enhanced LCP funding pilot and is well underway with a comprehensive program LCPs through:

1. hiring for the 25 additional positions and assigning staff to work collaboratively with local governments to address LCP backlog, new LCPs and updates, and climate change;
2. implementation of the local assistance grant program, including 24 grants so far, and close collaboration with the Ocean Protection Council and Coastal Conservancy on related grant programs;
3. implementation of best practices for collaborative planning with local governments; and
4. Adoption of Sea Level Rise Guidance/Interpretive Guidelines on August 12, 2015 for use by local governments in updating LCPs.

Implementation is currently in full swing with hiring complete, grants issued in January 2014, and November 2014 and significant forward movement on LCP work, including 38 comprehensive LCP updates and 16 new LCPs, currently underway. Continued implementation does not depend on any other actions or approval. Termination of the funding in June 2016 would essentially halt the momentum and implementation of the accelerated LCP program. If the state operations funding to the Commission is extended through the requested baseline funding, there will be no set-up required as implementation is already fully underway and showing solid results.

### H. Supplemental Information- NONE

### I. Recommendation

The Coastal Commission respectfully recommends the approval of Alternative #1 baseline enhanced LCP program of \$3 million General Fund in state operations and 25 permanent staff positions with operating expenses per year to the Coastal Commission's baseline budget to work in partnership with local governments to accelerate the completion, updates and certification of Local Coastal Programs. The priority Local Coastal Program work will include critical climate change adaptation planning and methods to address sea level rise and to address large LCP workload described in detail in this BCP. If this BCP is approved, the Commission would have a total of 167 authorized permanent baseline positions.

If the BCP is not approved, the Commission will be forced to terminate 25 staff positions added to the Coastal Commission's FY 13-14 through FY 15-16 budgets for LCPs, resulting in the curtailment of the focused work with local governments to prepare new LCPs and update all LCPs to address sea level rise and climate change. If this BCP is not approved, the Commission's authorized positions would drop from 167 in FY 15-16 to 142 authorized positions in FY 16-17. The Commission management will be required to assign the reduced number of available staff on the regulatory workload required by statute and the most pressing LCP work. Accelerated forward momentum to address key LCP planning will end and there will be inadequate staff to cover the large number of local assistance grants to local governments.

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<sup>5</sup> Severance tax rates in other states vary widely, from 2-25%. The average for Western states is 9.6%

## **ATTACHMENTS**

Attachment A – Tips LCP Amendment (November 2013)

Attachment B - LCP Status Summary Chart (FY 14-15)

Attachment C – LCP Grant Awards

Attachment D – Case Studies (2014)

Attachment E – Budget Funding History (1973-2015)

Attachment F – Coastal Zone Management in California Charles Lester  
(May 2013)

Attachment G – Organizational Chart

Attachment H – Overview 2014-2015 Budget Bill SB 851

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# CALIFORNIA COASTAL COMMISSION

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Attachment A

November 12, 2013

## TIPS/ BEST PRACTICES FOR PROCESSING LCP AMENDMENTS

These are recommended practices to enhance coordination and decision-making on LCP amendments. This focuses on steps involving local governments and the Commission, and opportunities for increased coordination and enhanced communication. Column one describes the five major LCP amendment phases and their objectives. The second and third columns identify practices that local governments and the Coastal Commission staff could consider at each phase in order to improve communication and public participation, with the ultimate goal of minimizing conflict and facilitating more effective and efficient amendment of LCPs. For more information on statutory and regulatory requirements and Coastal Act issues, check the Commission's website at <http://www.coastal.ca.gov/>

AMENDMENT PHASE	LOCAL STAFF BEST PRACTICES	CCC STAFF BEST PRACTICES
<b>1. INITIAL AMENDMENT SCOPING AND DEVELOPMENT</b> <ul style="list-style-type: none"> <li>Identify need for an LCP change/problem definition</li> <li>Identify amendment scope and potential changes to, and effects on, existing LCP</li> <li>Prepare preliminary draft</li> <li><b>GOAL: AGREE ON AMENDMENT SCOPE</b></li> </ul>	<b>Coordinate Early:</b> <ul style="list-style-type: none"> <li>Contact CCC staff to discuss need for amendment</li> <li>Discuss nature and scope of proposed changes</li> <li>Identify issues raised</li> <li>Share and discuss early drafts</li> </ul>	<b>Coordinate Early:</b> <ul style="list-style-type: none"> <li>Meet with local staff</li> <li>Understand reasons/need for amendment</li> <li>Discuss issues, information and analytic needs and next steps</li> <li>Discuss how to characterize and show what the LCP changes will be (especially for complex amendments)</li> <li>Discuss dividing amendments covering multiple sites or subjects into separate amendments, if processing this way would be more efficient.</li> </ul>
<b>2. LOCAL AMENDMENT PROCESS</b> <ul style="list-style-type: none"> <li>Notify the public of upcoming process and availability of review drafts <i>at least 6 weeks before vote (14 CCR 13515(c))</i></li> <li>Scoping: Notice and conduct local outreach and hearings; <i>notice at least 10 working days before hearing (14 CCR 13515(d))</i></li> <li>Adopt Amendment</li> <li><b>GOAL: REACH AGREEMENT ON LCP AMENDMENT TEXT</b></li> </ul>	<b>Narrow Issues:</b> <ul style="list-style-type: none"> <li>Send public copy to CCC staff as soon as available</li> <li>Meet with CCC staff to discuss process and timeframe necessary to receive comments prior to local action</li> <li>Continue issue discussion with CCC staff where necessary</li> <li>Address any CCC staff comments and requested information and analysis</li> <li>If concerns warrant, share CCC staff input with local decision-makers</li> <li>Notify and provide to CCC staff (and others)</li> </ul>	<b>Narrow Issues:</b> <ul style="list-style-type: none"> <li>Conduct initial review of public draft and alert local staff of any major concerns identified</li> <li>Allocate staff time to review and comment on early drafts prior to local action</li> <li>Establish timeframes for follow-up discussions with local staff and decision-makers as requested</li> <li>Attend local hearings as appropriate</li> <li>Schedule preliminary review before CCC and/or CCC field trips, as appropriate and if feasible</li> </ul>

AMENDMENT PHASE	LOCAL STAFF BEST PRACTICES	CCC STAFF BEST PRACTICES
	<p>any major changes to amendment as it goes through process</p> <ul style="list-style-type: none"> <li>◆ Maintain mailing list of interested and participating public</li> <li>◆ Follow notice requirements of Regulations</li> <li>◆ Ensure the amendment is clearly described in notices and other distributed materials</li> </ul>	
<b>3. PREPARE SUBMITTAL</b> <ul style="list-style-type: none"> <li>◆ Assemble LCP materials</li> <li>◆ Transmit to CCC</li> <li>◆ Make Available to Public</li> <li>◆ <b>GOAL: COMPLETE SUBMITTAL</b></li> </ul>	<b>Avoid Submittal Problems:</b> <ul style="list-style-type: none"> <li>◆ Discuss contents of submittal package with CCC staff prior to submittal</li> <li>◆ Satisfy all submittal requirements of Regulations</li> <li>◆ Provide adequate supporting information</li> <li>◆ Include in submittal to CCC sufficiently detailed description of changes and their effect on current LCP</li> </ul>	<b>Avoid Submittal Problems:</b> <ul style="list-style-type: none"> <li>◆ Discuss contents of submittal package with local staff prior to its formal transmittal</li> <li>◆ Make Submittal Information Available to Public</li> </ul>
<b>4. PROCESS AMENDMENT AT CCC</b> <ul style="list-style-type: none"> <li>◆ Review submittal for completeness <b><i>within 10 working days unless unusual circumstances (14 CCR 13553)</i></b></li> <li>◆ Address Outstanding Information Needs</li> <li>◆ File LCP Amendment Submittal</li> <li>◆ Prepare and release staff report with recommendation <b><i>at least 7 calendar days before hearing (14 CCR 13554(b) and 13532 )</i></b></li> <li>◆ Notice <b><i>at least 10 days calendar before hearing (14 CCR 13524)</i></b></li> <li>◆ Hold public hearing and vote <b><i>within 60 days of filing submittal if Implementation only otherwise within 90 days or within up to additional 12 months with time extension (PRC 30512,30513,30517)</i></b></li> <li>◆ Transmit action to local government</li> </ul>	<b>Prepare for CCC Action:</b> <ul style="list-style-type: none"> <li>◆ Respond to CCC filing letter</li> <li>◆ Discuss CCC staff concerns as they analyze LCPA</li> <li>◆ Provide any necessary supporting information</li> <li>◆ Discuss scheduling with CCC staff that affords time to try to resolve issues prior to CCC hearing</li> <li>◆ Inform CCC if local government does not want suggested modifications</li> <li>◆ Participate in hearing</li> <li>◆ Focus comments on any specific points of disagreement with CCC staff</li> </ul>	<b>Prepare for CCC Action:</b> <ul style="list-style-type: none"> <li>◆ Acknowledge receipt of amendment and discuss filing needs ahead of sending filing letter, if necessary, asking for additional LCPA supporting information</li> <li>◆ Keep local staff informed of major concerns as LCPA is analyzed and ultimately as staff report is being prepared</li> <li>◆ Separate into parts after LCP amendment filed as complete, if processing this way would be more efficient</li> <li>◆ Discuss tentative CCC hearing dates with local staff</li> <li>◆ Discuss potential to meet with local staff and/or decision-makers to discuss concerns before staff report is released</li> <li>◆ Consider local staff input into CCC staff report; particularly modification language</li> <li>◆ Prepare staff recommendation summary of any major points of disagreements and explain any suggested modifications</li> <li>◆ After release of staff report be available for continued discussions</li> <li>◆ Schedule hearing(s) to allow for adequate consideration of recommendation.</li> </ul>

TIPS/ BEST PRACTICES FOR PROCESSING LCP AMENDMENTS  
November 12, 2013

AMENDMENT PHASE	LOCAL STAFF BEST PRACTICES	CCC STAFF BEST PRACTICES
<ul style="list-style-type: none"> <li>◆ <b>GOAL: CCC ACTION ON AMENDMENT</b></li> </ul>		
<p><b>5. EFFECTUATE AMENDMENT</b></p> <ul style="list-style-type: none"> <li>◆ Local acceptance of any modifications or decide to resubmit <i>within 6 months of CCC action or within additional year with CCC extension (14 CCR 13535(c), 13537(b) and 13542(b))</i></li> <li>◆ Finalize local approval</li> <li>◆ Complete CCC Executive Director check-off</li> <li>◆ <b>GOAL: AGREE TO AND PUT AMENDMENT INTO EFFECT</b></li> </ul>	<p><b>Resolve Differences:</b></p> <ul style="list-style-type: none"> <li>◆ Explain to decision-makers reasons for any suggested modifications</li> <li>◆ If not prepared to accept all modifications as adopted, discuss with CCC staff best options for proceeding</li> <li>◆ Accurately and thoroughly incorporate final adopted amendment into existing LCP documents; annotate with date and resolution and/or amendment number</li> <li>◆ Provide Updated LCP Text to CCC (digitally)</li> </ul>	<p><b>Resolve Differences:</b></p> <ul style="list-style-type: none"> <li>◆ Discuss potential to attend Board or Council meeting to discuss Commission action</li> <li>◆ Continue communication with local staff on response to modifications</li> <li>◆ Ensure CCC copies of LCP are updated with amendment</li> </ul>

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August 19, 2015

**SUMMARY OF LCP PROGRAM ACTIVITY IN FY 14-15**

- The North Coast Corridor (NCC) Public Works Plan and Transportation and Resource Enhancement Program (PWP/TREP) and related LCP Amendments for the cities of San Diego, Encinitas, Carlsbad and Oceanside for the transportation infrastructure improvements and community and resource enhancements located within the North Coast Corridor (NCC) of San Diego County were approved (August 2014).
- The Long Range Development Plan for UC Santa Barbara was comprehensively updated. (December 2014).
- The LCP for the Santa Monica Mountains segment of Los Angeles County was effectively certified (October 2014).
- The City of Grover Beach LCP was updated (August 2014).
- In FY 14, the Commission awarded \$1 million in LCP Planning Assistance grants to 12 jurisdictions.

***Status of Total LCP Certification (as of 6/30/15)***

LCP Segments	LCPs Effectively Certified and Issuing Permits <sup>1</sup>	Estimated Geographic Area Covered by certified LCPs <sup>2</sup>	Segments Where There is no certified LCP	Areas of Deferred Certification (ADCs)/Uncertified Areas <sup>3</sup>
126	92	1,104,238	34	49
	73%	87%	27%	

**Annual Post-Certification Local Permit Activity for Fiscal Year (7/1/14--6/30/15)**

Approved Local Permits Reported during fiscal year	Number Appealable to Commission	Number Appealed to Commission this Fiscal Year
1054	718	60
	68%	8.4%
	of approved local permits	of appealable local permits

<sup>1</sup> This number is based on certified segments and will change as the number of segments change.

<sup>2</sup> The percentage reported differs from prior higher estimates due to the use of more accurate mapping tools and corrections in the acreages previously reported for Areas of Deferred Certification (ADC). Excludes Non-LCP areas such as federal lands, tribal lands, UC LRDP areas and Chapter 8 Port districts.

<sup>3</sup> Area of Deferred Certification (ADC): Refers to a geographic area that has not been officially segmented for purposes of LCP preparation and during certification review of the LCP, was not certified. An Uncertified Area may be an area that was created through annexation or was subsequently identified but may not have been included in any LCP segment. The Commission retains permit authority until an LCP is effectively certified for these areas.

**34 LCP segments where there is no certified LCP<sup>4</sup>**

Pt. St. George segment of Del Norte County	City of Santa Monica*
City of Fortuna	City of Hermosa Beach*
Pygmy Forest segment of Mendocino County	City of Torrance
Olympic Club segment of San Francisco City/County	Bolsa Chica segment of Orange County
City of Monterey *:	Santa Ana River segment of Orange County
o Laguna Grande segment	Santa Ana Heights segment of Orange County
o Del Monte Beach segment	City of Seal Beach
o Harbor segment	Sunset Beach segment of the City of Huntington Beach
o Cannery Row segment	City of Costa Mesa
o Skyline segment	City of Newport Beach*
City of Pacific Grove*	City of Aliso Viejo
City of Goleta*	City of San Clemente*
Playa Vista A segment of Los Angeles County	San Diego County*
City of Los Angeles:	Agua Hedionda segment of City of Carlsbad*
o Pacific Palisades segment	City of Solana Beach*
o Venice segment *	Mission Bay segment of City of San Diego
o Playa Vista segment	
o Del Rey Lagoon segment	
o Airport/El Segundo Dunes segment	
o San Pedro segment	

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<sup>4</sup> \* Notes LCP Planning Assistance Grant Awarded FY13 or FY14.



LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
NORTH COAST DISTRICT								
Del Norte County			Pacific Shores Subdivision ADC					
	County segment	1983						
	Harbor segment	1987						
	Lopez Creek segment	1987						
	Pt. St. George segment							
City of Crescent City								
	Crescent City segment	1983						
	McNamara-Gillespie segment	1984						
Humboldt County								
	Northcoast segment	1986	Big Lagoon Estates Subdivision ADC	Stagecoach Hill ADC				
	Trinidad Area segment	1986	Trinidad Area Shoreline Lots ADC					
	McKinleyville segment	1986						
	Humboldt Bay segment	1986						
	Eel River segment	1986						
	Southcoast segment	1986						
City of Trinidad		1980	Trinidad Harbor and Upland Support Area ADC					
City of Arcata		1989						

LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
City of Eureka		1984						
City of Fortuna								
Mendocino County								
	County Balance segment	1992						
	Town segment	1996						
	Pygmy Forest segment							
City of Ft. Bragg		1983						
City of Pt. Arena		1981						
<b>NORTH CENTRAL COAST DISTRICT</b>								
Sonoma County		1982						
Marin County		1981/82	Calle del Arroyo lots					
City/County of San Francisco		1986						
	Olympic Club segment							
City of Daly City		1984						
City of Pacifica		1994	Quarry Area ADC	Shell Dance Nursery ADC				
City of Half Moon Bay		1996						
San Mateo County.		1981						
<b>CENTRAL COAST DISTRICT</b>								
Santa Cruz County		1983						
City of Santa Cruz		1985	Westside Agricultural Lands (Remainder) ADC					

LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
City of Capitola		1990						
City of Watsonville		1988						
Monterey County								
	North segment	1988	Fort Ord Transfer Area					
	Del Monte Forest segment	1988						
	Carmel Area segment	1988	Malpaso Beach Area ADC	Yankee Beach Area ADC				
	Big Sur segment	1988						
City of Marina		1982	Fort Ord Transfer Area					
City of Sand City		1984	South of Bay Avenue ADC					
City of Seaside		2013						
City of Monterey								
	Laguna Grande segment							
	Del Monte Beach segment							
	Harbor segment							
	Cannery Row segment							
	Skyline segment							
City of Pacific Grove			Hayward Lumber site ADC					
City of Carmel		2004						

LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
San Luis Obispo County		1987	Sweet Springs Marsh ADC	Otto Property/South Bay ADC				
City of Morro Bay		1984						
City of Pismo Beach		1984						
City of Grover Beach		1982						
<b>SOUTH CENTRAL COAST DISTRICT</b>								
County of Santa Barbara		1982	Channel Islands ADC					
City of Guadalupe		1991						
City of Goleta								
City of Santa Barbara								
	City segment	1986						
	Airport segment	1991						
City of Carpinteria		1982						
Ventura County		1983						
City of Ventura		1983						
City of Oxnard		1985						
City of Port Hueneme		1984						
City of Malibu		2002						
Los Angeles County								
	Malibu Santa Monica Mountains segment	2014						

LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
SOUTH COAST DISTRICT								
Los Angeles County								
	Marina del Rey segment	1990						
	Playa Vista A segment							
	Santa Catalina Island segment	1990						
City of Los Angeles			Playa Del Rey/Westchester Bluffs Uncertified Area	Wilmington Uncertified Area				
	Pacific Palisades segment							
	Venice segment							
	Playa Vista segment							
	Del Rey Lagoon segment							
	Airport/Dunes segment							
	San Pedro segment		White Point Transfer Uncertified Area					
City of Santa Monica			Beach/Beach Overlay Zone LUP ADC	Civic Center LUP ADC				
City of El Segundo		1982						
City of Manhattan Beach		1994						

LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
City of Hermosa Beach								
City of Redondo Beach		2010						
City of Torrance								
City of Palos Verdes Estates		1991						
City of Rancho Palos Verdes		1983						
City of Long Beach		1980	SEADIP (Cerritos Wetlands) ADC					
City of Avalon		1981	Pebbly Beach ADC	Upper Avalon Canyon				
Orange County								
	Bolsa Chica segment							
	Santa Ana River segment							
	Santa Ana Heights segment							
	Newport Coast segment	1988						
	Emerald Bay segment	1989						
	Aliso Viejo	1983						
City of Seal Beach								
City of Huntington Beach		1985	Hearthside/Brightwater Annexation area					
	Sunset Beach							
City of Costa Mesa								
City of Newport Beach								

LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
City of Irvine		1982	Map Error Area (Omitted at Time of certification)					
City of Laguna Beach		1993	Hobo Canyon ADC	Three Arch Bay ADC	Blue Lagoon ADC	Irvine Cove ADC		
City of Aliso Viejo								
City of Laguna Niguel		1990						
City of Dana Point		1989						
City of San Clemente			Marblehead Coastal LUP ADC					
<b>SAN DIEGO COAST DISTRICT</b>								
San Diego County								
City of Oceanside		1986						
City of Carlsbad								
	Agua Hedionda segment							
	Mello I segment	1996						
	Mello II segment	1996	Tamarack Street 1 ADC	Tamarack Street 2 ADC	Tamarack Street 3 ADC	Palomar Airport/Avenida Encinas ADC	Interstate 5/Poinsettia Lane ADC	
	West Batiquitos/Sammis segment	1996						

LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
	East Batiquitos/Hunt segment	1996						
	Village Redevelopment Area segment	1987						
City of Encinitas		1995						
City of Solana Beach								
City of Del Mar		2001						
City of San Diego			State Hwy 8 & I-5 ROW Uncertified Area					
	North City segment	1988	Via de la Valle Specific Plan ADC	South Sloped ADC	Carmel Valley ADC	Los Penasquitos Regional Park ADC	Torrey Pines City Park ADC	Cal Sorrento Property ADC
	La Jolla segment	1988						
	Pacific Beach segment	1988						
	Mission Beach segment	1988						
	Mission Bay segment							
	Ocean Beach segment	1988						
	Peninsula segment	1988	Famosa Slough ADC					
	Centre City segment	1988	County Administration Center ADC					
	Barrio Logan segment	1988						



LCP JURISDICTION	SEGMENTS	YEAR EFFECTIVELY CERTIFIED	UNCERTIFIED AREAS (ADCs AND OTHERS)					
	Otay Mesa/Nestor segment	1988	Otay River Valley and South Bay Study Area ADC					
	Tijuana River segment	1988						
	Border Highlands segment	1988						
City of Coronado		1984						
City of National City		1991						
City of Chula Vista		1985	South Bay Islands					
City of Imperial Beach		1984						

**Coastal Commission Approved Grant Awards FY 2014-2015**

	Jurisdiction	Total Awarded	
		Coastal Commission	OPC
North Coast District	<u>County of Humboldt</u>	\$35,000	\$125,000
	<u>City of Trinidad</u>	\$80,000	\$0
North Central District	<u>City and County of San Francisco</u>	\$13,000	\$160,750
Central District	<u>City of Monterey</u>	\$35,000	\$200,000
	<u>City of Morro Bay</u>	\$147,000	\$0
South Central District	<u>County of Santa Barbara</u>	\$8,000	\$175,000
	<u>City of Oxnard</u>	\$40,000	\$110,000
South District	<u>City of Santa Monica</u>	\$225,000	\$0
	<u>City of Los Angeles</u>	\$250,000	\$0
	<u>City of Newport Beach</u>	\$67,000	\$0
San Diego District	<u>County of San Diego</u>	\$52,000	\$0
	<u>City of Carlsbad</u>	\$48,000	\$180,000
	<u>City of Del Mar</u>	\$0	\$100,000
<b>Total</b>		<b>\$1,000,000</b>	<b>\$1,015,750</b>

**Coastal Commission Approved Grant Awards FY 2013-2014**

	Jurisdiction	Total Awarded
North Coast District	<u>County of Humboldt</u>	\$ 29,000
	<u>City of Arcata</u>	\$ 54,000
North Central District	<u>County of Marin</u>	\$ 54,000
	<u>City of Half Moon Bay</u>	\$ 75,000
Central District	<u>City of Pacific Grove</u>	\$ 130,000
South Central District	<u>City of Goleta</u>	\$ 125,000
	<u>City of Santa Barbara</u>	\$ 123,000
South District	<u>City of Los Angeles</u>	\$ 100,000
	<u>City of Hermosa Beach</u>	\$ 100,000
	<u>City of San Clemente</u>	\$ 90,000
San Diego District	<u>City of Solana Beach</u>	\$ 120,000
<b>Total</b>		<b>\$1,000,000</b>

## **Local Coastal Program Case Studies**

### **CASE 1: The City of Carmel: the Benefits of LCP Certification**

The City of Carmel is a unique forested village, with significant coastal resources. Thousands of people visit every year. Over the years, the Commission and the City struggled to reach agreement on a LCP to govern development in Carmel. Then, in the 1990s, a redevelopment boom began to raise concerns that important historic, cultural, and urban forest resources were being lost as many small bungalows and cottages - defining characteristics of the City - were proposed for demolition and replaced with new, significantly larger homes.

At this time, all permits for residential demolitions had to be approved by the Coastal Commission because the City did not have a certified LCP. Although many proposed demolitions were not problematic, some were, and the permitting process became a drag on economic redevelopment in the City. Because there were no coastal development or historic resource preservation policies in place, the Commission and applicants struggled to address each project case-by-case. There was significant uncertainty in each case, with no specific agreement on how to evaluate historic resources, protect the urban forest and water quality, and provide for new development consistent with the unique character of Carmel. This created significant conflict and a substantial permit workload for Commission staff.

Under the leadership of Mayor Sue McCloud, the City began working closely with Commission staff to draft a new LCP. This effort required substantial research and analysis by Commission staff, and significant up-front collaboration with the City to identify issues, write draft policies and ordinances, and fine tune final LCP submittals to the Commission. Dozens of meetings were held to hammer out the details of the Carmel LCP. Because of this early collaboration, staff and the City were able to draft and agree to a comprehensive set of policies and ordinances, not only to protect historic and urban forest resources, but also to assure public access and recreation along Carmel's shoreline, protect sensitive habitats, address coastal hazards and beach management, and assure the protection of overnight visitor-serving accommodations. Over the course of a number of years, Commission and City staff narrowed differences to three major issues that were ultimately resolved at a Commission hearing. After approval and certification of the LCP in 2004, the City took over coastal development permitting authority, and redevelopment projects were able to go forward under the new regulatory standards agreed to by the City and the Commission. Only five appeals to the Coastal Commission have been filed in the decade since LCP certification.

**CASE 2: Del Monte Forest Segment, Monterey County LCP: the Importance of LCP Updates and Collaborative Planning**

The LCP for the Del Monte Forest LCP segment in Monterey County was developed over six years in the late 1980s and the County took over coastal development permitting authority in 1988. The original Del Monte Forest LCP provided for significant development of the Pebble Beach Company's Spanish Bay Golf Resort, and contemplated the potential for more than a 1,000 new residential lots if other provisions of the LCP could be met. In the 1990s the Pebble Beach Company (PBC) began to plan another new golf course, as well as additional significant commercial development and substantial residential subdivision throughout the Del Monte Forest. However, the Coastal Commission was concerned that the forest areas proposed for development were environmentally-sensitive habitat comprising unique coastal species, including the native Monterey pine forest itself, which occurs in only three other places in the world outside of the Monterey peninsula. The Commission argued that the LCP required the protection of these forest and related habitat areas by its existing terms. The PBC argued that the LCP allowed the proposed development.

Over the course of ten years the Commission, the PBC, and the public argued about what additional development could occur in Del Monte Forest. This significant disagreement persisted through local environmental and CEQA review, the County's coastal permitting review, and ultimately resulted in 17 separate appeals to the Commission of the County's action approving the PBC plan. In 2007 the Commission denied the LCP amendment to allow the PBC plan for a variety reasons, but mostly out of concern for the potential loss of significant and unique coastal habitat resources. The PBC then challenged the Commission's denial in court.

In the wake of the filing of litigation, a new dialogue between the Commission and the PBC began. A critical assumption in this dialogue was the recognition that the LCP was out-of-date, and did not provide for all of the development that the PBC contemplated. After a year or more of regular meetings, the PBC and Commission staff agreed to a framework for a new development plan that would provide the basis for updating the LCP and would allow a new hotel and 90 homes, but no new golf course. In 2010, the Commission and Monterey County then began the intensive process of collaboratively developing an LCP update for the Del Monte Forest segment. The Commission, the County, and the PBC participated in multiple meetings, analysis, drafting sessions, and public meetings. Ultimately, a proposed LCP update was agreed to and approved by the County. The LCP was submitted to the Commission for review on February 3, 2012. Three months later the Commission approved the LCP update with no changes. (Press Release: <http://www.coastal.ca.gov/sc/pr-pebble-beach-5-2012.pdf>). In recognition of this successful collaborative planning effort, Bill Perocchi, CEO of PBC said:

*"We appreciate the time and effort devoted by the Coastal Commission and Monterey County staff to arrive at this historic decision. This is a perfect example of the public and private sectors working together in a cooperative manner to*

*arrive at a compromise that is good for the environment, creates jobs, provides greater coastal access, and generates much needed taxes for the County and State."*

One month after the Commission approved the LCP amendment, the County issued coastal development permits for the new PBC development plan and no appeals of this action were filed. The PBC completed the new golf driving range component of its new development plan in January 2014 and other components are moving forward.

**CASE 3: Pacific Palisades: Demonstrating the Need for Certified LCPs so Local Development Can Proceed**

The Commission recently became embroiled in a local neighborhood dispute in the Pacific Palisades concerning a proposed demolition and rebuilding of a single family home. The applicant for the project had to secure a coastal development permit from the Commission because the City of Los Angeles does not have a certified LCP for the area. In the opinion of Commission staff, the project raised no significant state-wide coastal resource concerns. There was, however, significant disagreement locally about the appropriate scale of the house in relation to the surrounding neighborhood character. Two homeowner associations implored the Commission to address the issue and change the scale of the house through reductions in height and design changes. Over the course of many months, the Commission staff prepared two staff recommendations and the Commission held two full public hearings on the house project. Because there is no certified LCP with clear development standards, neighbors were free to argue broadly about the appropriate scale of the home. Ultimately the Commission approved the project with slight changes. Unfortunately, interested neighbors continued to press their points, and requested that the Commission consider revoking the approved permit based on arguments that misinformation had been provided to the Commission in prior hearings. Following the staff recommendation, the Commission did not revoke the permit, ending a nearly three-year long saga that took significant Commission staff resources and time that could have been allocated to more important statewide permitting and planning work. The Commission continues to grapple with single-family home developments in the Pacific Palisades that should be handled locally under an LCP. The Commission was even sued by neighbors recently in another case where the Commission determined there were no significant impacts and waived the requirements for a coastal development permit.

**CASE 4: I-5 Expansion in North San Diego County – Successful Interagency Coordination and Collaboration Between Caltrans and the Coastal Commission**

The Commission worked closely with Caltrans on a massive transportation infrastructure project including highway and rail improvements spanning 27 miles of the North San Diego County coastal zone. This project resulted in multiple LCP updates, federal consistency review, and an overarching public works plan that was approved by the Coastal Commission in 2014. Importantly, Caltrans provided key reimbursable funding to support Commission staff involvement in the development of the complex multi-modal planning program, including a full-time Commission planner to staff years of collaborative planning between the Commission, Caltrans, SANDAG, six local governments, and the public. Funding support for technical, legal, and planning has been invaluable to the early identification and coordination of issues raised by the corridor improvement plan, resolution of policy and resource management concerns, creation of innovative mitigation strategies with numerous resource agencies and development of planning and project standards to govern the next forty years of project implementation.

**CASE 5: County of Santa Barbara LCP Zoning Code Update: Lessons Learned about the Need for Early Coordination and Collaborative Planning**

This case illustrates the problems that arise when state and local planning staff do not engage in early, collaborative planning. Santa Barbara County worked on an update of its LCP zoning code that it understood to be procedural “reformatting” of the code. Little early coordination with the Coastal Commission occurred when the original ordinance was drafted and approved at the local level. After reviewing the County’s proposed LCP update submittal, Commission staff disagreed with the County’s characterization of the amendment and identified many substantive issues raised by both proposed changes to existing ordinances and new language additions. Ultimately, hundreds of staff hours were spent coordinating with the County staff *after* the LCP Amendment was submitted to the Commission. Commission staff recommended that the Commission approve the LCP update with 36 detailed ordinance modifications that staff believed were necessary to address a variety of procedural and policy concerns, including fundamental questions about allowable land uses, protection of agricultural lands and habitats, and requiring that new development address sea level rise (see <http://documents.coastal.ca.gov/reports/2010/8/Th17b-s-8-2010.pdf>).

Although the Commission approved the County’s LCP amendment, and the Commission and County were in agreement on almost all of the changes, the County decided in the end that they could not accept the changes made by the Commission due to fundamental disagreements about bluff face and agricultural development. These issues could likely have been resolved, or otherwise addressed had earlier coordination between County and Commission staff occurred when the LCP amendment was drafted at the local level. The LCP effort, including 1,000s of hours of

County and Commission staff time, thus failed to update the County's LCP, including changes that would have addressed coastal erosion hazards due to sea level rise. Commission staff and local government representatives later used this case to help develop recommendations for "Best Management Practices" for processing LCP Amendments (see [http://www.coastal.ca.gov/la/TipsLCPAmend\\_Nov2013.pdf](http://www.coastal.ca.gov/la/TipsLCPAmend_Nov2013.pdf)).

In 2014, the County received Coastal Commission and OPC grant awards to develop an LCP amendment to address adaptation to coastal hazards and climate change impacts, based on results of the Coastal Hazard Modeling and Vulnerability Assessment (Coastal Resiliency Project) funded through the Coastal Conservancy. The project also includes further development of the Coastal Resiliency Project decision support system for the entire county.

#### **CASE 6: Solana Beach – Successfully Addressing Climate Change and Coastal Hazards through LCP Planning**

The City of Solana Beach in San Diego County has a long stretch of popular recreational beach, backed by high, eroding bluffs long-developed with single family homes and condominiums within its coastal zone. Protecting and maintaining public access to the beach has been a high priority for both the City and the Commission over the years. Unfortunately, the blufftop development is at high risk from coastal erosion and bluff failure. This risk is now accelerated due to sea level rise.

Over the last several decades, homeowners constructed seawalls on the beach and bluff face in order to protect their homes from these hazards. The Coastal Act generally allows seawalls for "existing development". The presence of these seawalls will likely lead to the loss of the recreational beach in front of them, as the shoreline is prevented from naturally retreating and the ocean eventually overtakes the beach. The loss of beach will be further exacerbated by sea level rise.

To address the potential loss of beach, the Commission recently approved an Army Corps of Engineers proposal to periodically "nourish" the beach (termed beach nourishment) with new sand supplies over the next 50 years. However, there is significant uncertainty as to whether this nourishment will work, and the concern about continued seawall development to protect existing development remains. In addition, the homeowners, the City, the Commission, and stakeholders have been working to reach agreement on a comprehensive set of rules to govern any future home additions, rebuilds, or redevelopment of the homes along the bluff. These rules are important because they establish adequate setbacks from the bluff edge for new development to ensure that it is safe for the life of the structure. They also create incentives that shape longer-term development patterns, such as whether shoreline protection will be needed on the beaches below and how this development will impact important public access and recreation resources. Ultimately, the rules form the basis for the Solana Beach's future shoreline and allow adaptation to sea level rise and coastal hazards such as erosion and extreme storms.

In January of 2014 the Commission reached agreement on an amendment to the Land Use Plan (LUP) component of the City's LCP to address these issues. The LUP provides the basic policy framework for assuring that new development will be safe from coastal hazards, including from sea level rise, and that other coastal resources such as beach access and sensitive ecological resources won't be adversely impacted by new development and hazard mitigation measures like new seawalls. Many details remain to be fleshed out through the review and approval of the Implementation Plan (IP) component of the LCP. The Commission awarded the City a local assistance grant to work on the IP over the next two years. If certified, coastal development permit authority would then be given to the City, allowing the Commission to take over its statewide planning and oversight role.



## CALIFORNIA COASTAL COMMISSION

## BUDGET FUNDING HISTORY State Operations

FYs 1972-1973 through 2014-2015

Revised 2/10/2015

Dollars rounded to Thousands										Other State Funds				Personnel Years			
General Fund <sup>a/</sup>		Bagley Conservation Fund	Environmental License Plate Fund	Outer Continental Shelf Lands Act 8(g) Fund	Coastal Beach & Coastal Enhancement Account	Coastal Act Services Fund	State Coastal Conservancy Violation Remediation Account	Calif Climate Resilience Account		Federal Funds Coastal Commission	Federal Funds BCDC/SCC	Reimbursements	Total Coastal Commission Funds	Perm PY	Temp Help PY	Total PY <sup>b/</sup>	
1972-1973	\$0	\$376,416											\$376,416	12.9		12.9	
1973-1974	\$302,735	\$2,130,863											\$2,433,598	90.9		90.9	
1974-1975	\$549,324	\$1,902,134								\$1,074,762		\$0	\$3,526,220	124.9		124.9	
1975-1976	\$1,018,930	\$1,389,461								\$1,117,288		\$0	\$3,525,679	118.5		118.5	
1976-1977	\$3,152,735	\$728,471								\$927,950		\$0	\$4,809,156	134.5		134.5	
1977-1978	\$6,428,707	\$0								\$1,736,590		\$758,185	\$8,923,482	159.2	34.1	193.3	
1978-1979	\$5,862,713	\$0								\$1,906,387		\$70,016	\$7,839,116	180.5	18.3	198.8	
1979-1980	\$6,119,898	\$0	\$12,000							\$3,227,292	\$380,000	\$60,000	\$9,419,190	180.4	20.2	200.6	
1980-1981	\$6,960,000	\$0	\$181,000							\$6,751,000	\$345,000	\$41,000	\$13,933,000	192.1	19.9	212.0	
1981-1982	\$6,470,000	\$0	\$198,000							\$3,451,000	\$422,000	\$39,000	\$10,158,000	176.9	11.0	187.9	
1982-1983	\$6,374,000	\$0	\$150,000							\$3,501,000	\$90,000	\$40,000	\$10,065,000	166.1	3.4	169.5	
1983-1984	\$5,349,000	\$0	\$280,000							\$853,000	\$573,000	\$40,000	\$6,522,000	121.7	8.2	129.9	
1984-1985	\$5,925,000	\$0	\$303,000							\$1,986,000	\$629,000	\$40,000	\$8,254,000	124.6	2.4	127.0	
1985-1986	\$5,884,000	\$0	\$329,000							\$794,000	\$978,000	\$40,000	\$7,047,000	112.2	2.0	114.2	
1986-1987	\$5,906,000	\$0	\$344,000							\$1,314,000	\$999,000	\$40,000	\$7,604,000	116.8	5.6	122.4	
1987-1988	\$5,895,000	\$0	\$392,000							\$1,085,000	\$752,000	\$40,000	\$7,412,000	109.7	4.5	114.2	
1988-1989	\$6,195,000	\$0	\$401,000							\$1,420,000	\$1,119,000	\$40,000	\$8,056,000	107.2	12.0	119.2	
1989-1990	\$5,958,000	\$0	\$429,000							\$1,385,000	\$686,000	\$40,000	\$7,812,000	105.4	6.3	111.7	
1990-1991	\$5,870,000	\$0	\$1,093,000							\$1,201,000	\$570,000	\$40,000	\$8,204,000	105.1	13.9	119.0	
1991-1992	\$5,713,000	\$0	\$1,107,000							\$2,036,000	\$240,000	\$351,000	\$9,207,000	110.1	19.2	129.3	
1992-1993	\$4,525,000	\$0	\$1,135,000	\$797,000						\$2,033,000	\$251,000	\$409,000	\$8,899,000	114.6	5.9	120.5	
1993-1994	\$4,483,000	\$0	\$1,194,000	\$807,000						\$2,584,000	\$201,000	\$520,000	\$9,588,000	113.0	13.9	126.9	
1994-1995	\$4,736,000	\$0	\$1,215,000	\$830,000						\$2,607,000	\$361,000	\$477,000	\$9,865,000	114.3	12.0	126.3	
1995-1996	\$5,741,000	\$0	\$1,223,000	\$0						\$3,101,000	\$455,000	\$496,000	\$10,561,000	113.5	13.1	126.6	
1996-1997	\$5,610,000	\$0	\$1,298,000	\$0						\$2,673,000	\$319,000	\$563,000	\$10,144,000	109.7	9.5	119.2	
1997-1998	\$7,190,000	\$0	\$0	\$0						\$2,344,000	\$347,000	\$679,000	\$10,213,000	112.1	9.9	122.0	
1998-1999	\$8,175,000	\$0	\$0	\$0	\$68,000					\$2,446,000	\$220,000	\$890,000	\$11,579,000	113.6	9.2	122.8	
1999-2000	\$9,454,000	\$0	\$0	\$0	\$247,000					\$2,354,000	\$418,000	\$787,000	\$12,842,000	127.5	10.4	137.9	
2000-2001	\$12,107,000	\$0	\$0	\$0	\$371,000					\$2,494,000	\$333,000	\$916,000	\$15,888,000	141.8	16.2	158.0	
2001-2002	\$11,723,000	\$0	\$0	\$0	\$394,000					\$2,817,000	\$420,000	\$1,083,000	\$16,017,000	149.1	18.5	167.6	
2002-2003	\$10,715,000	\$0	\$0	\$0	\$438,000					\$2,685,000	\$425,000	\$1,249,000	\$15,087,000	150.6	4.4	155.0	
2003-2004	\$9,459,000	\$0	\$0	\$0	\$394,000					\$2,655,000	\$429,000	\$1,552,000	\$14,060,000	136.2	0.7	136.9	
2004-2005	\$9,788,000	\$0	\$0	\$0	\$513,000					\$2,644,000	\$427,000	\$1,693,000	\$14,638,000	128.0	4.1	132.1	
2005-2006	\$9,917,000	\$0	\$0	\$0	\$580,000					\$2,861,000	\$355,000	\$1,589,000	\$14,947,000	132.0	4.2	136.2	
2006-2007	\$11,457,000	\$0	\$0	\$0	\$624,000					\$2,481,000	\$366,000	\$1,534,000	\$16,096,000	135.3	5.2	140.5	
2007-2008	\$11,709,000	\$0	\$0	\$0	\$596,000					\$2,085,000	\$322,000	\$2,274,000	\$16,664,000	136.7	4.6	141.3	
2008-2009	\$10,905,000	\$0	\$0	\$0	\$561,000	\$418,000				\$1,956,000	\$332,000	\$1,449,000	\$15,289,000	125.1	0.2	125.3	
2009-2010	\$9,985,000	\$0	\$0	\$0	\$521,000	\$340,000				\$1,816,000	\$343,000	\$1,648,000	\$14,310,000	124.7	2.6	127.3	
2010-2011	\$10,115,000	\$0	\$0	\$0	\$532,000	\$276,000				\$2,197,000	\$466,000	\$1,832,000	\$14,952,000	127.7	2.2	129.9	
2011-2012	\$10,526,000	\$0	\$0	\$0	\$578,000	\$220,000	\$489,000			\$2,455,000	\$333,000	\$2,086,000	\$16,354,000	125.2	2.7	127.9	
2012-2013 <sup>c/</sup>	\$10,308,000	\$0	\$0	\$0	\$578,000	\$665,000	\$647,000			\$2,478,000	\$312,000	\$2,083,000	\$16,759,000	131.4	2.3	133.7	
2013-2014 <sup>e/</sup>	\$13,312,000	\$0	\$0	\$0	\$622,000	\$679,000				\$2,188,000	\$293,000	\$1,893,000	\$18,694,000	140.8	4.4	145.2	
2014-2015 <sup>d/f/g/</sup>	\$11,073,000	\$0	\$0	\$0	\$626,000	\$2,676,000		\$500,000		\$2,262,000	\$329,000	\$2,462,000	\$19,599,000	160.2	6.8	167.0	

a/ State Operations funding only. Does not include Local Assistance funding. Fiscal Years 1980-81 through 2012-2013 reflect past year actual support operations expenditures shown in Governor's Budget.

b/ FY 1972-73 through FY 2012-13 are actual "Personnel Years" expended not authorized positions.

c/ Carryover of \$647,000 based upon \$1,136,000 one time FY 11/12 VRA fund (to be used over 2 years) for Coastal Management Program - Permit Tracking System.

d/ Budgeted authorized positions and projected expenditures from the Governor's Budget not actuals.

e/ General Fund augmented by \$3,000,000 for support of the LCP program.

Act Services Fund includes \$2,000,000 for support of LCP program.

g/ Reappropriation of up to \$1,000,000 of carryover from FY13/14 General Fund not reflected.

f/ Coastal

The Coastal Commission is the only authorized agency to accept Federal Coastal Zone Management Funds from 1979/80 thru the present.

BCDC, State Coastal Conservancy, State Parks and any other state agency federal Funds received by and passed through to other state agencies have been removed from the Federal funds column

Prior to FY 1979/80, BCDC received Federal Trust Funds directly...the Commission did not serve as the pass-thru agency until FY 1979/80.

Source: Governor's Budgets -- actual past year expenditures

Access Contract Database: FY 1991-92 for BCDC/SCC pass thru data because Gov. Budget for FY 93-94 did not have detailed information on FTF for Program 10.40 Federal Coastal Management Program

## CZM in California: Successes and Challenges Ahead

CHARLES LESTER

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*California has a forty-year history of successful coastal zone management. The San Francisco Bay Conservation and Development Commission, the California Coastal Commission, and the State Coastal Conservancy have protected and made accessible hundreds of miles of shoreline. While each agency has played a critical role, this article focuses on the Coastal Commission. Implementing the California Coastal Act, the Coastal Commission has partnered with local government, other agencies, nongovernmental organizations (NGOs), and the public to concentrate new development in already developed areas, and much of the rural coastal zone looks as it did in 1972. The Commission has protected and expanded public shoreline access through its regulatory actions. Using strong ecological science the Commission has protected a wide variety of sensitive habitats and wetlands. And under the authority of the Coastal Zone Management Act, the Commission has reviewed thousands of federal projects to assure that they are consistent with the Coastal Act. Challenges continue, though, including population growth, sea-level rise, and inadequate funding to update local coastal land use plans to address new issues, such as climate change adaptation. New investment is needed at the national, state, and local level to continue the success of the California program.*

**Keywords** california coastal commission, coastal zone management, federal consistency, local coastal program

California has been successfully managing its coastal zone for more than forty years. Born from citizen activism in the 1960s and 1970s, this management success is due to the efforts of many local, state, and federal agencies, nongovernmental organizations (NGOs), and private interests involved in research, policymaking, planning, regulation, acquisition, restoration, development, management, and monitoring of coastal resources. But three state agencies have played a more central role: the San Francisco Bay Conservation and Development Commission, the California Coastal Commission, and the State Coastal Conservancy. These agencies constitute the official California Coastal Management Program (CCMP) certified by the National Oceanic and Atmospheric Administration (NOAA) under the federal Coastal Zone Management Act (CZMA). Since the 1960s, they have protected and restored thousands of acres of sensitive coastal resources and maintained and opened up public access to and along hundreds of miles of shoreline through planning and regulation of development, land acquisition and conservation, and funding of restoration and public access projects.

As this article will show, the CCMP is a success by many measures. The statutory goals to provide public shoreline access and protect and restore coastal resources have been well

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met. A sound institutional planning and regulatory framework is in place, and governance of the coastal zone is shared by state, local, federal, and tribal entities. Public support of and participation in the state's coastal program is widespread. Most significant, perhaps, California's coast and ocean economy, particularly the tourism and recreation sector, generates billions of dollars a year, demonstrating that strong environmental management and economic success can go hand in hand.

Telling the forty-year story of coastal zone management (CZM) in California and giving due attention to its many key actors would take volumes. And the roles and interactions of politics, policy, and law are complex. This article, therefore, simply attempts to convey a broad appreciation of California's CZM program primarily through a focus on the California Coastal Commission. Following an overview of the three CCMP agencies, the article focuses on implementation of the Commission's planning and regulatory program in four areas: governance, growth management, providing public access, and protecting sensitive biological resources. This focus highlights some of the Commission's core program outcomes, and the wide array of planning and regulatory tools used by the Coastal Commission to achieve them. The article then turns to a short discussion of the factors that help to explain the Commission's coastal management success, and the challenges ahead. The article concludes with a call for renewed commitment to coastal zone management to assure continued success in managing the nation's coasts.

### **Overview of the California Coastal Management Program**

The heart of coastal management in California is the CCMP approved by NOAA under the federal CZMA. Made up of three key agencies—the San Francisco Bay Conservation and Development Commission, the California Coastal Commission, and the California Coastal Conservancy—the CCMP has provided strategic leadership for over four decades.

#### ***The San Francisco Bay Conservation and Development Commission***

Present-day coastal management in California originated in 1965 with the passage of the McAtter-Petris Act (California Government Code §§ 66600–66694), which created the San Francisco Bay Conservation and Development Commission (BCDC). Bay area citizens pushed for the creation of BCDC out of concern for the on-going filling and loss of bay habitat, estimated at the time at approximately 2,400 acres a year (Save the Bay 2013; Smith and Pendleton 1998). The McAtter-Petris Act gave the agency interim regulatory authority over shoreline development and charged it with creating a plan for the long-term use of the Bay. The *Bay Plan* was completed in 1969 and included policies to address issues ranging from ports and public access to development design and transportation (BCDC 2013a). That same year, the McAtter-Petris Act was amended to establish BCDC as an on-going state agency to implement the Bay Plan (BCDC 2013b).

BCDC is often heralded as the “first coastal zone management agency” (Save the Bay 2013). Like many CZM agencies, BCDC was a response to the ill effects of “uncoordinated,” “haphazard,” and “piecemeal” development decisions (McAtter-Petris § 66601). The Commission is designed to provide a “politically-responsive, democratic process” for overarching regional management of the San Francisco Bay (McAtter-Petris § 66600). It has 27 members, including nine Bay-area County supervisors, four city representatives, seven members of the public appointed by the governor (5), the speaker of the Assembly (1), and the president of the Senate (1), and five state and two federal agency representatives. The Commission has permitting authority over any fill, extraction of materials, or

substantial change in the use of any water, land, or structure in the Bay and a landward band 100 feet inland of the shoreline (McAteer-Petris § 66632(a)), and a mandate to assure provision of maximum feasible public access to the Bay and shoreline (§ 66632.4). BCDC also has an on-going planning authority, including the responsibility to update the Bay Plan as necessary.

In the nearly fifty years since its creation, BCDC has successfully stopped the detrimental filling of the Bay that, up to 1965, had reduced the size of the Bay by one-third. In addition, according to BCDC, “nearly 29.4 square miles of Bay habitat have been restored, public trails and parks have been opened along 125.7 miles of the Bay shoreline, and over \$18.8 billion in ‘productive waterfront developments’ have been built” (BCDC 2011a, 1). To accomplish this, the agency has issued more than 8,100 permits and permit amendments since 1970. Of the 616 “major” permits processed, the Commission has denied only 26 (4.2%).

BCDC has also successfully tackled core resource management challenges, such as dredging and disposal activity in the Bay through an inter-agency Long Term Management Strategy (LTMS), which works to maximize beneficial reuse of dredged material and minimize disposal in the Bay or deep ocean. Most recently, BCDC is leading the way in responding to climate change, focusing on sea-level rise and specifically vulnerability and adaptation issues along the shoreline (BCDC 2011b). It has also updated the Bay Plan to address climate change, including incorporating new policies. Now, all projects are required to conduct a 100-year flood elevation risk assessment using best available sea-level rise estimates. The Plan also requires “resilient” project design until mid-century and specific adaptation management plans for projects that will be in place beyond mid-century and thus more vulnerable to sea-level rise and flooding (BCDC 2013a).

### *The California Coastal Commission*

The early BCDC experience was one catalyst and a model for the creation of the California Coastal Commission (CCC), the second agency of the CCMP (Douglas 1973; Scott 1975, 9). Like BCDC, the CCC originates in citizen activism and deep concern over the cumulative coastal resource degradation and loss of public shoreline access that had been unchecked by fragmented, localized decision-making. Frustrated by the lack of legislative action in the early 1970s, citizens turned to the initiative process to create a statewide management program for the open coast. On November 7, 1972, 55% of Californian voters passed Proposition 20, creating the California Coastal Zone Conservation Commission. Like the McAteer-Petris Act, Proposition 20 directed the Commission both to create a plan for long-term management of the coast for consideration by the legislature, and to regulate new development for four years, after which the Commission would cease to exist unless the legislature extended the program. In 1975, after hundreds of public hearings, the Commission completed the *California Coastal Plan* and delivered it to the legislature, setting in motion a legislative battle to adopt a coastal protection law. Following months of negotiations among the building industry, conservationists, local government, and other stakeholder groups, as well as several bill iterations, the legislature passed the California Coastal Act of 1976 (Squire and Scott 1984; Healy 1978; Scott 1975; CCZCC 1975; US DOC 1977).

The Coastal Act followed the general model of BCDC and established the California Coastal Commission as an on-going state agency to plan for and regulate new development through a coastal development permit requirement in the coastal zone. Like the Bay Commission, the Coastal Commission also was designed to be broadly responsive to the various

public interests in coastal management in at least four ways. First, the twelve voting members of the Commission were independent of any one political authority, with the Governor, Speaker of the Assembly and the Senate Rules Committee each appointing four Commissioners. Second, the twelve Commission appointments were also split equally between six at-large “public” members and six local government representatives, in recognition of the important role of local government in managing coastal land use. Third, by statute, the six local government appointments had to represent each of six geographic districts defining the coast. Finally, under Proposition 20 and in the first four and half years of the Coastal Act implementation, six regional Commissions, which were themselves split equally between public members and local government representatives from each district, were the first line of coastal planning and regulatory decision-making, with the statewide Commission serving in a broad policymaking and appellate role over the regional commissions (CCZCA 1972; CCA 1976).<sup>1</sup>

The Commission’s statutory policy framework is broad. It includes mandates to maximize and protect public access and recreation to and along the coast, protect sensitive marine and coastal resources, and provide for priority coastal uses and development such as commercial fishing and other coastal dependent or related land uses. Coastal Act policies also address a variety of specific resource protection concerns such as maintaining the maximum amount of coastal agricultural lands, protecting visual resources, and providing lower-cost visitor-serving development along the coast. Importantly, the Coastal Act establishes a mandate for environmentally sustainable urban development by requiring stable urban–rural boundaries and directing new development to existing developed areas with adequate public services (CCA §§ 30200–30265). As detailed below, these requirements, and all other management policies of the Coastal Act, are typically implemented through the Commission’s review and approval of County and City land use plans and amendments that enable local government to obtain development permitting authority under the Coastal Act.

The Coastal Commission’s land use planning and development permitting authority applies in the coastal zone, the landward boundary of which was specifically delineated by the legislature in 1976. The zone extends seaward to the state’s outer limit of jurisdiction (3 miles) and generally inland 1,000 yards from the mean high tide line of the sea except that in certain significant coastal estuarine, habitat, and recreational areas, it extends inland to the first major ridgeline paralleling the sea or five miles from the mean high tide line of the sea, whichever is less. In developed urban areas, the zone generally extends inland less than 1,000 yards. In this respect, the Commission has a much more extensive land use planning and development permitting role than does BCDC, which is limited to the 100 foot shoreline band around the Bay. The Coastal Act’s definition of development also is broad, ranging from structural development and other physical activities, to changes and changes in the intensity or density of use of land and water (such as subdivisions or restrictions on the use of land), even when no physical changes are proposed (CCA § 30106).

In recognition of the Commission’s significant land-side jurisdiction, the Coastal Act requires that all coastal counties and cities prepare and submit to the Commission for approval LCPs consisting of a land use plan, zoning ordinances, and other measures to implement the statewide policies and development permit requirement of the Act in the coastal zone at the local level. Once an LCP is approved, most Coastal Act permit authority is delegated to the local government, subject to a limited appellate review by the Commission of developments near the shoreline, wetlands, or streams, and any development approved by a coastal county that is not designated as the principal permitted use under the zoning ordinance (Coastal Act § 30603). The Commission retains coastal permit jurisdiction over

development on tidelands, submerged lands and public trust lands, at ports, state universities and colleges, and where there is no Commission-approved LCP (CCA § 30519(b)).

Like BCDC, the Coastal Commission and local governments have a significant coastal management history over the last forty years. Since 1972, the Commission and local governments have issued more than 160,000 coastal development permits and approximately 85% of the coastal zone is governed by certified LCPs (CCC 2013a; CCC 2012a). The coastal program has also played an integrating role for state coastal policy, as the legislature intended that the Coastal Act and LCPs provide the “common assumptions” for state planning in the coastal zone (CCA § 30403). Other state agencies are generally subject to the LCP and permitting requirements of the Commission and local governments. However, the Coastal Act does specify certain circumstances where the Commission’s authority may be more limited in relation to other state coastal management authorities. For example, to address potential jurisdictional conflicts with the state water quality control boards, the Commission’s review of wastewater treatment plants is limited to land use siting and visual issues, and the geographic limits, sizing, and timing of proposed service to address growth management issues (§30412(c)). Finally, the Commission (and BCDC) has the authority under the CZMA to review federal activities (such as Army Corps of Engineers dredging) and federally approved activities (e.g., offshore oil development beyond the 3-mile state coastal zone) that affect coastal resources, for consistency with the Coastal Act. Section III presents more detail on the Coastal Commission’s implementation of the Coastal Act.

### *The California State Coastal Conservancy*

The planning and regulatory successes of BCDC and the Coastal Commission would not have been fully realized without the work of the State Coastal Conservancy—the third agency of the CCMP. The 1975 Coastal Plan anticipated the need for complementary non-regulatory work at the state level and called for the public acquisition of priority properties to support public access and recreation and other coastal resource protection objectives. It also recommended the creation of a “Coastal Conservation Trust” to assist in the implementation of recommended acquisitions and to fund resource restoration activities (CCZCC 1975, 191–193). Coincident with the passage of the Coastal Act, the legislature passed a bill to create the State Coastal Conservancy. It also placed a coastal park acquisition general obligation bond on the ballot that the voters passed in November 1976 and that provided no less than \$120 million for coastal property acquisitions and \$10 million to get the Conservancy started (Squire and Scott 1984, 59; US DOC 1977).

Since 1976, the California Coastal Conservancy has used “entrepreneurial techniques” to purchase, protect, restore, and enhance coastal resources, and to provide public access to the shore (SCC 2013a). Working in partnership with local governments, other agencies, nonprofit organizations, and private landowners, the Conservancy has allocated more than \$1.5 billion for coastal resource management, most of this coming from state general obligation bonds approved by California voters that are paid back over time from the State’s general fund. According to the Conservancy, the agency has completed more than 1,500 projects across every coastal county and all nine San Francisco Bay Area counties. These projects have included the construction of trails and other public access facilities, restoration and enhancement of wetlands and wildlife habitat, restoration of public piers and urban waterfronts and preservation of coastal farmland (SCC 2013a).

One of the core statutory mandates of the Conservancy is to facilitate acquisition and development of lands required to implement a “system of public accessways to and along the state’s coastline” (California Public Resources Code §§ 31400–410). Over the last decade,

for example, the Conservancy has worked closely with the Coastal Commission, State Parks, the non-profit group Coastwalk California, and many other state and local partners to pursue implementation of the California Coastal Trail (CCT). Originally conceptualized in the 1975 Coastal Plan, the CCT is defined as a continuous public right-of-way trail along the California coastline, designed to “foster appreciation and stewardship of the scenic and natural resources of the coast through hiking and other complementary modes of non-motorized transportation” (CCZCC 1975, 164; SCC 2003). By some measures the CCT is about 50% complete, but there is significant work to be done in places where property ownership, development patterns, or physical constraints make it difficult to implement a continuous public coastal trail system (SCC 2013b). The Conservancy has made similar strides in supporting development of the San Francisco Bay and Ridge Trail systems. In total, the Conservancy has worked to improve more than 600 miles of trails and public accessways (Shuchat 2012).

The Conservancy also plays a critical role in restoring and permanently protecting California’s coastal resources. To date the Conservancy has helped to preserve over 300,000 acres of wetlands, dunes, wildlife habitat, recreational lands, farmland, and scenic open space (SCC 2013a). This work ranges from facilitating major conservation easements, such as the thousands of acres of agricultural lands of the Hearst Ranch put into easement in San Luis Obispo County, to the acquisition and retirement of hundreds of smaller lots in inappropriately planned subdivisions along the coast. In San Francisco Bay, the Conservancy has facilitated restoration of 40,000 acres of wetlands, including the largest tidal wetland restoration on the west coast—the 15,100-acre Salt Pond restoration in the South Bay. And like BCDC, the Conservancy has also turned its focus to climate change, including efforts to facilitate adaptation and “planned retreat” in areas particularly vulnerable to sea-level rise and erosion, such as “Surfer’s Point” in Ventura County (SCC 2008).

Over the years the Conservancy has partnered with more than 100 local land trusts and other nonprofit groups, and the agency’s work illustrates the importance of partnerships, both intergovernmental and between the public, private, and non-profit sectors, in accomplishing successful coastal management. The chair of the Coastal Commission, for example, has described the joint efforts and partnership of the Commission and the Conservancy as “two hands clapping” (Shallenberger 2012).

### **Implementation Focus: The California Coastal Commission**

Explaining the effectiveness of the CZM program is critical to its continued success. Policymakers (and the public) are increasingly hesitant to fund programs if they do not understand how the programs work and what they accomplish. But there are many ways to measure and evaluate coastal management (Hershman et al. 1999; US GAO 2008). Peter Douglas, the long-time executive director of the Coastal Commission, always said “it is the things we don’t see” that are the measure of CZM success—the wetlands not filled, the public access not lost, and the subdivisions not built. The summary of the CCMP gives a broad sense of the significant coastal management achievements of the BCDC, Coastal Commission, and Coastal Conservancy. To better understand how these achievements have come about, though, more detail is needed. This section presents a more in-depth look at CZM implementation by the Coastal Commission, focusing on governance, growth management, providing public access, and protecting sensitive biological resources. This focus highlights some of the Commission’s core program outcomes, and the array of planning and regulatory tools used by the Coastal Commission to achieve them.

### *Governing California's Coast*

Environmental resource management is challenging. It requires intergovernmental coordination and the integration of broad public interests with more narrow and usually private economic interests. The Coastal Commission has met this challenge in part through the Coastal Act's LCP mandate and the CZMA federal consistency review process.

*Planning and Permitting.* As summarized in Section I, the Coastal Act recognizes that comprehensive state-level management is necessary to protect the broad public interests in coastal resource management that might otherwise be neglected by more parochial or market-driven development interests (US DOC 1977, 17–21; CCA § 30004(b)). At the same time, the Act also recognizes that “it is necessary to rely heavily on local government and local land use planning procedures and enforcement” to manage coastal resources effectively (Coastal Act § 30004(a)). Hence, the Coastal Act requires coastal counties and cities to submit Local Coastal Programs (LCPs) to the Commission that, once approved, become the standard of review for locally issued coastal development permits (CCA §§ 30500, 30519).

The Coastal Commission and local governments have been largely successful putting the LCP management scheme in place. Most LCPs were certified in the 1980s and 1990s, built on the early planning work of the regional commissions and supported by significant funding from the federal CZM program. By 2013, 61 of the 76 local coastal governments had a certified LCP in whole or part. The LCP certification process was often an extended intergovernmental negotiation as the Commission and local governments worked to find the right land use policies and ordinances adequate to protect statewide interests in each local context. All of the 15 local governments that remain completely uncertified are cities, 11 of these are in southern California (CCC 2012a).<sup>2</sup>

There are various reasons why some LCPs are not yet certified. There is no statutory penalty for not completing an LCP. And if significant progress had not been made in the first decade of the coastal program, there was significantly less federal and state funding for LCP planning. In some cases, it may be that the incentives for local government to gain coastal development permit authority from the state are not strong enough, such as where the coastal zone is extremely narrow (e.g., Cannery Row in the City of Monterey) and thus the permit workload is relatively smaller. In other cases, the land use conflicts have simply been insurmountable to date, such as in the Santa Monica Mountains of Los Angeles County, where there are significant development pressures but also significant coastal resources at risk, including sensitive habitats, expansive scenic vistas, and important public access and recreational resources. The LCP for the City of Malibu, where public beach access next to private beach homes is a significant issue, was at an impasse and only certified after the legislature intervened and directed the Commission itself to write and adopt the LCP (CCA § 30166.5).

Still, about 85% of the coastal zone land area (more than 1 million acres) is governed by a certified LCP. The majority of coastal development permits (CDPs), therefore, are now issued by local governments, not the Coastal Commission. Since 1981 more than 40,000 locally issued CDPs have been reported to the Commission. From 2001 to 2011, approximately 70% of approved CDPs were locally issued (CCC 2013a). This high proportion of local CDPs is a strong measure of the success of the Commission and local government implementing the Coastal Act's direction to implement state policy through local coastal permitting.



The Commission still plays an important oversight role in coastal permitting; either individual citizens or two Coastal Commissioners together can appeal certain locally approved permits to the Coastal Commission for review if they are concerned that the permit doesn't comply with the approved LCP (CCA § 30603). However, this power is used sparingly and judiciously; since 1981, only 1300 appeals have been filed with the Commission or about 5.4% of the total number of appealable local permits approved. Commissioners were appellants in less than half of these (approximately 40%) (CCC 2013a). As for outcomes, between 2001 and 2011, more than 600 appeals were filed with the Commission; of those no longer pending, approximately one-third raised no issues (the local permit action stands), one-third were approved with conditions to address project impacts, and one-third were either withdrawn by the applicant (27%) or were denied by the Commission (6%) due to inconsistencies with the LCP or the Coastal Act (CCC 2013a). Only a tiny fraction of the many thousands of locally issued CDPs, therefore, have been denied by the Commission on appeal. Still, the possibility that the Commission will review a project on appeal can be a powerful incentive for applicants and local governments to adhere to Coastal Act and LCP requirements.

*The CZMA and Federal Consistency Review.* Because California has a CZMA program approved by NOAA, the Commission and BCDC have received more than one hundred million federal dollars for program implementation since 1975 (most by the CCC). The California program has also received valuable technological assistance, such as digital mapping and data acquisition tools, from NOAA's Office of Ocean and Coastal Resources Management and the Coastal Services Center. The CZMA program, though, also provides an important mechanism for integrating state and national coastal management activities—federal consistency review.

Under CZMA section 307 California may review federally authorized or conducted activities that affect resources in the coastal zone for consistency with the Coastal Act. Over 35 years the Commission has reviewed more than 3,000 cases, and conducted 1,300 public hearings, ranging from highly controversial reviews of proposed oil development on the outer continental shelf to more routine maintenance dredging by the Army Corps of Engineers (CCC 2012b). Approximately 70% of these cases have been federal consistency determinations (federal agency projects governed by CZMA § 307(c)(1)) and 30% consistency certifications (federally permitted projects under 307(c)(3)).

The Orange County Toll Road case illustrates consistency review at work. The Transportation Corridor Agencies of Orange County (TCA) proposed a new toll road through the middle of San Onofre State Beach. The TCA required federal Clean Water Act and Federal Highway Administration authorizations, which triggered the Commission's consistency review under CZMA § 307(c)(3). The project was very controversial, supported by many to relieve traffic congestion, but opposed by many because of its potentially devastating impacts on coastal resources, including an extremely popular public campground and the trails to the renowned surfing area at Trestles Beach, six listed sensitive species, and important Indian cultural resources. After a 12-hour public hearing at the Del Mar Fairgrounds attended by thousands, the Commission denied the consistency certification for the Toll Road as inconsistent with multiple Coastal Act policies (CCC 2008a). The Toll Road Authority then appealed this denial to the secretary of Commerce (provided for under the CZMA for consistency certifications). The secretary upheld the Commission's action, finding that there were reasonable alternatives available that would not conflict with California's coastal program and that the project was not necessary in the interest of national security (US DOC 2008).

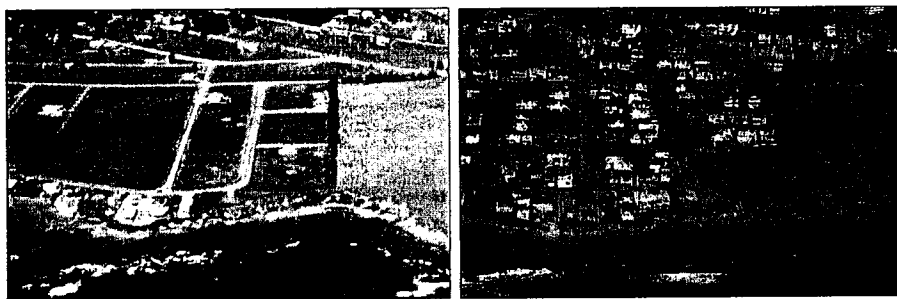
The Toll Road case illustrates the power of federal consistency to help assure that the management objectives of the CCMP are met.<sup>3</sup> But as with coastal permitting, the more typical consistency review results in agreements between the Commission and project applicants in the shadow of this potential power. The Commission has concurred more than 95% of the time that a proposed activity is consistent with the Coastal Act and in most cases, projects are designed or include measures up front to address CCMP objectives. In some cases projects are modified by the Commission with agreement from the federal agency or applicant; in a few, the Commission has adopted conditions as part of its concurrence eventually agreed to by the applicant.

Of the 34 consistency certifications that the Commission has objected to (out of approximately 900), such as the Toll Road, 14 have been appealed to the secretary of Commerce. In these cases the Commission has been upheld by the secretary three times and overridden in five cases; remaining cases were withdrawn, deferred, or dismissed (CCC 2012b; US DOC 2013). Out of the 110 Commission consistency determination objections (out of approximately 2,100 cases), federal agencies have elected to proceed with their project anyway only ten times. The Commission's recourse in these cases is litigation, which the Commission has pursued four times. For example, the Commission challenged the Department of Interior's position that federal OCS oil lease sales were not subject to consistency review (the Supreme Court ultimately said they were not but Congress subsequently amended the CZMA to provide for this review (CCC 1999; CCC 2012b)).<sup>4</sup>

#### *Growth Management on the Coast*

The Coastal Commission has effectively used LCPs and the permit review process in partnership with others to manage growth in the coastal zone. LCPs must address specific Coastal Act requirements to: (1) concentrate new development in existing urban areas where services are adequate; (2) keep rural areas at low densities; (3) maintain stable urban-rural boundaries; (4) limit the conversion of agricultural land to non-agricultural uses; and (5) assure that new public services do not induce growth otherwise inconsistent with the Act (CCA §§ 30250, 30241–42, 30254). LCPs must also protect scenic landscapes and other sensitive biological resources (CCA §§ 30231, 30233, 30240, 30251). Development in areas without an LCP must also meet these policies as they are applied directly by the Commission rather than local government.

*Protecting the Rural Coastal Zone.* The Commission has required many certified LCPs to clearly distinguish “developed” areas from agricultural and rural areas. This requirement has had a dramatic effect on development patterns along the coast, particularly north of the Los Angeles metropolitan region. For example, it is remarkable that more than 7 million people live in the San Francisco Bay Area, yet just twenty miles away, over the Santa Cruz mountains, lie forty miles of coast between the cities of Half Moon Bay and Santa Cruz that are mostly protected park, open space, and agricultural land. This pattern must be partly attributed to the planning and regulatory presence of the Coastal Commission since the 1970s, when local governments began to develop strong LCPs and other local growth control measures to protect the rural coastal zone (Landwatch 2013; Committee for Green Foothills 2013). With oversight from the Commission, advocacy groups, and citizens, it became very difficult to develop at urban densities outside of the already existing urbanized areas. And where such development was proposed, such as on the western edge of the City of Santa Cruz, the Commission played a central role in assuring that urban development



**Figure 1.** Concentrating development: the southern edge of Cambria in 1972 and 2010. Hundreds of urban-infill homes have been built under County coastal permits, consistent with the certified LCP, while the rural agricultural lands that surround Cambria have been protected (CCRP, 2013a, Images 7225065 and 201006446, Copyright © 2002–2013 Kenneth & Gabrielle Adelman, California Coastal Records Project, [www.Californiacoastline.org](http://www.Californiacoastline.org)) (color figure available online).

did not sprawl up-coast and that agricultural land was protected (CCC 2008b, 24; CCC 1982a).

The presence of the coastal program shaped a new land use market driven by forceful agricultural and rural land preservation requirements. This created opportunities for the State Coastal Conservancy and non-profit land trusts to acquire thousands of acres of land for permanent protection. For example, the Peninsula Open Space Trust (POST), founded in 1977, has acquired 41,192 acres of coastal land in San Mateo and Santa Cruz counties for recreation, open space, and agriculture (W. Moore, personal communication, August 17, 2012, San Francisco). This dynamic between Coastal Act planning requirements, strong regulation, and strategic acquisition by land trusts unfolded up and down the coast. As a result, places like the Mendocino County coast, Big Sur in Monterey County, and the Gaviota coast in Santa Barbara County are largely unchanged from their rural character of forty years ago. In San Luis Obispo County, the towns of Pismo Beach, Morro Bay, Cayucos, and Cambria have nearly the same urban footprints in the coastal zone as in 1972 (Figure 1).

Over its forty-year history, the Commission has allowed very few proposals for new urban-density growth or conversion of agricultural lands outside existing developed areas. At the same time, Commission-approved LCPs have provided for significant new development within urban areas, well-illustrating that coastal protection and continued growth can go together. The City of Santa Cruz, for example, grew from approximately 32,076 in 1970 to 59,946 in 2010; similarly, Half Moon Bay more than doubled from 4,023 in 1970 to 11,324 in 2010 (US DOC 1973; U.S. Census Bureau 2010). And where the Commission has allowed expansion of urban footprints, it has required strong measures to protect against future detrimental growth. For example, in approving a needed high school on the edge of Watsonville in Santa Cruz County, the Commission required that the new utilities for the school be sized and limited only for the school, and prohibited any future extension of urban services off the site by incorporating a “utility prohibition zoning overlay” into the LCP and requiring third-party easements that prevented such extension (CCC 2000a). In 2009, nearly 500 acres of coastal agricultural land next to the high school site that had been long targeted for residential and golf course development, was bought by the local land trust for permanent preservation, wetlands restoration, and agricultural use (SCO Land Trust 2013).

*Protecting Open Space and Rural Lands in Southern California.* The Commission's challenge in southern California has been to protect open space within and around urbanized regions that were mostly in place by 1972. For example, the Commission worked with State Parks and citizen groups to protect the relatively undeveloped 3.5 mile Newport Coast between the cities of Newport Beach and Laguna Beach in Orange County (formerly known as the Irvine Coast) that had been called out by the 1975 Coastal Plan as a "major opportunity for open space preservation" (CCZCC 1975, 254). Facing the planned development of a coastal community of 30,000–50,000 persons, a shoreline resort, and major road development to connect inland areas to the coast, community groups and State Parks worked over the years to acquire and protect significant open space areas against the backdrop of pending planning and regulation by the Commission (*Los Angeles Times* 1988; CCC 1987, 46). Today, 7,234 acres (nearly 77%) of the 9,432 acres of the Newport Coast coastal zone are permanently in open space, largely achieving the original vision of the Coastal Plan (CCC 1996a).

The Commission also has worked hard to manage growth in the Santa Monica Mountains, just north of Los Angeles. Here, the coastal zone encompasses approximately 82,000 acres and extends 5 miles inland. It captures the critical coastal watersheds and lies within the Santa Monica Mountains National Recreation area, managed by the National Park Service. Early planning by the Commission concluded that significant adverse cumulative resource impacts would result from the potential development of approximately 12,700 as-yet undeveloped lots, including 5,200 small lots that were significantly constrained by the presence of sensitive habitats, steep slopes, inadequate infrastructure, periodic wildfires, and the limited capacity of key roads that also provided public access from inland areas to the shoreline (CCC 1979). To address this issue, the Commission developed a Transfer of Development Credit (TDC) program that requires applicants of approved residential subdivisions to extinguish the development potential of an existing lot in areas less desirable for development for each new lot approved for creation by the subdivision. The hope was to keep the overall density in the region the same while transferring development from less to more suitable areas.

The TDC program was also complemented by four lot retirement plans, called "Restoration Projects" implemented by the State Coastal Conservancy. Under these projects, the Coastal Conservancy purchased almost 300 parcels and sold the TDC credits generated by retirement of the lots to recoup a portion of their initial investments. Many of these parcels were later transferred to the National Park Service. The Commission also developed the "Gross Structural Area" (GSA) tool as another means to reduce build-out and limit the size of structures on small lots. On steeper and smaller lots, houses had to be smaller. But they could be made larger by if the owner bought and retired the development rights on an adjacent or nearby lot (e.g., CCC 2010a).

The Commission has used the TDC and GSA programs to retire more than 1,200 lots comprising over 1,700 acres, and the TDC program has been referred to as one of the most successful such programs in the nation (Pruetz 1993, 54; also, CCC 1996b). In addition, the Commission has secured more than 1,600 acres of open space conservation easements and deed restrictions through individual permits to protect sensitive habitat outside of permitted residential development areas. Where impacts to sensitive habitat are unavoidable, the Commission has implemented an in-lieu fee program that to date has directed approximately \$804,000 to the Mountains Recreation Conservation Authority to acquire and restore 15 properties (37.2 acres) containing chaparral habitat.

The Commission's success in the Santa Monica Mountains has been built on strong cumulative impacts assessment and planning, partnerships with the Coastal Conservancy

and other entities, and the combined effect of thousands of regulatory decisions. As a result of the TDC and GSA programs, open space easements, and other acquisitions, large areas between and linking the existing Parklands have been set aside as permanent open space. This story well illustrates the important relationship between the regulatory process and achieving cumulative coastal resource management objectives. It is a relationship seen state-wide, where to date the Commission has used the regulatory program to secure more than 654 open space easements protecting over 7,000 acres of sensitive habitat, open space, and agricultural lands. It also illustrates the importance of inter-agency partnerships and the Commission's use of creative planning and regulatory tools, such as in-lieu fees and transfer of development credit programs.

### ***Public Access and Recreation: The People's Work***

Californians have a state constitutional right-of-way to the navigable waters of the state when such right-of-way is required for a public purpose (California Constitution, Article X, § 4). The Coastal Act carries out this provision by requiring that "maximum access . . . and recreational opportunities" be provided, consistent with "public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse" (CCA § 30210). Protecting this public right to shoreline access and recreation is the heart and soul of the Commission's coastal management, and the Commission and local governments have protected hundreds, if not thousands, of public access points to and along the shoreline through LCP and permit actions.

For example, providing public access to the white sand beach and pier at Stillwater Cove in Pebble Beach was a major issue in the Monterey County LCP certification process, ultimately resolved in favor of public access (CCC 1984). In San Luis Obispo County, public access along the Hearst Ranch shoreline was a central debate in the LCP planning of the 1970s, '80s and '90s, culminating with a Commission denial of a major LCP amendment in 1998 that would have provided for new resort development but inadequate public access in the Commission's view (CCC 1998). Seven years later in one of the largest conservation transactions in California's history, the Hearst Corporation gave most of the 18 mile long north coast shoreline to the State for public access and recreation (Hearst Corporation 2013; CNRA 2013).

The Commission also has secured more than 2000 public access dedications through the regulatory process as mitigation for development impacts. Most of these are "offers to dedicate" (OTD) either "vertical" access from the first public road to the shoreline, or "lateral" access along the shoreline. Collectively they have opened up miles of public shoreline access, particularly in the more urban areas of southern California (CCC 2012c), but also in places where the public might not otherwise have access, such as the Bacara Resort in Santa Barbara, the Ritz Carlton and Montage resorts in Laguna Beach, the Trump national golf course in Palos Verdes, and the Ritz Carlton in Half Moon Bay. The Commission has also expanded public access in less developed areas such as Mendocino County, where the Commission has secured 158 OTDs and 9 Deed Restrictions for public access in the County (45 vertical, 122 lateral), all but five of which have been accepted for by three local land trusts, State Parks, and the Coastal Conservancy (Figure 2).

The Commission's efforts to increase public coastal access have been controversial at times, including provoking the U.S. Supreme Court *Nollan* case on regulatory takings, wherein the Commission was found to have inappropriately required a lateral access easement along the shoreline in front of a proposed house, without a sufficient

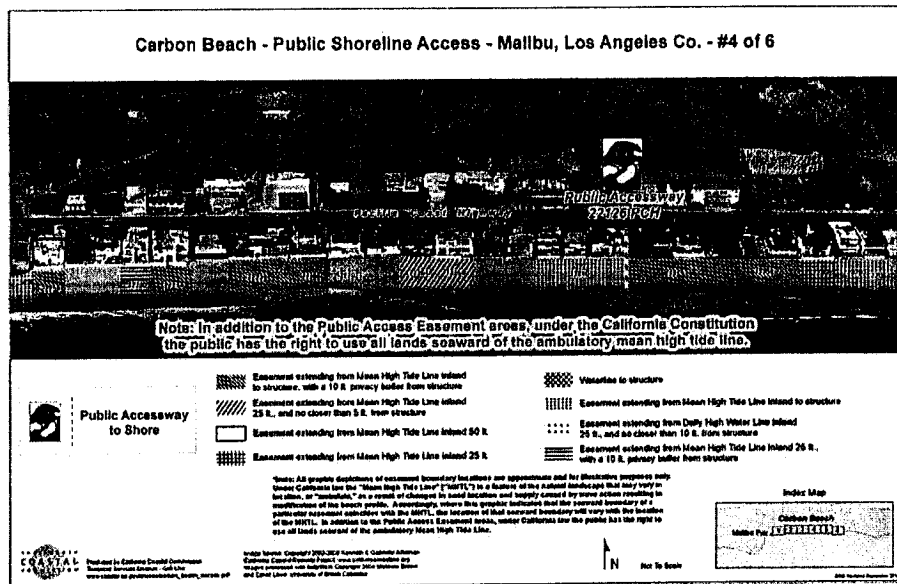


Figure 2. Example of public beach access secured through the Coastal Commission Regulatory Program: Carbon Beach in Malibu, California.

"nexus" to the identified impact of the project—blockage of views to ocean (483 U.S. 825 (1987)). But the Commission and local government have also prevailed in direct challenges to previously required access dedications (*California Coastal Commission v. Superior Court (Ham)* (1989) 210 Cal.App.3d 1488, 1501; CCC 2002b; CCC 2009; CC 2012i). And despite the controversy, the Commission also has continued to effectively protect, provide, and enhance public coastal access and recreation through the planning and regulatory process. According to data from the federal Coastal Zone Management Performance Management System (CZMPMS), the Commission has "created" 467 new public access sites and "enhanced" 187 existing access sites over the last seven years (CCC 2013b).

The Coastal Act also requires that "lower cost visitor and recreational facilities . . . be protected, encouraged, and, where feasible, provided," and the Commission has required almost \$17 million dollars in mitigation fees on higher-cost development projects to fund lower-cost amenities like hostels and campgrounds (CCA § 30213; CCC 2010b; CCC 1982b). For example, the Commission has directed \$6,000,000 to the development of the cabins at Crystal Cove State Park (CCC 2007a). Recently opened, the beach-front cottages are extremely popular and rent for approximately \$41–\$63 a night per person (Crystal Cove Cottages 2013). Finally, as touched on earlier, the Commission has worked with the Coastal Conservancy, State Parks, Caltrans, local governments, the non-profit Coastwalk California, and others to pursue the planning, designation and permitting of the California Coastal Trail (CCT). For example, in San Luis Obispo County the Commission required the Pacific Gas and Electric Company to build nearly 7 miles of bluff-top trails that are now available for the CCT on either side of the Diablo Canyon Nuclear Power Plant as mitigation for various projects at the plant, such as the long-term storage of nuclear waste (CCC 2005a).

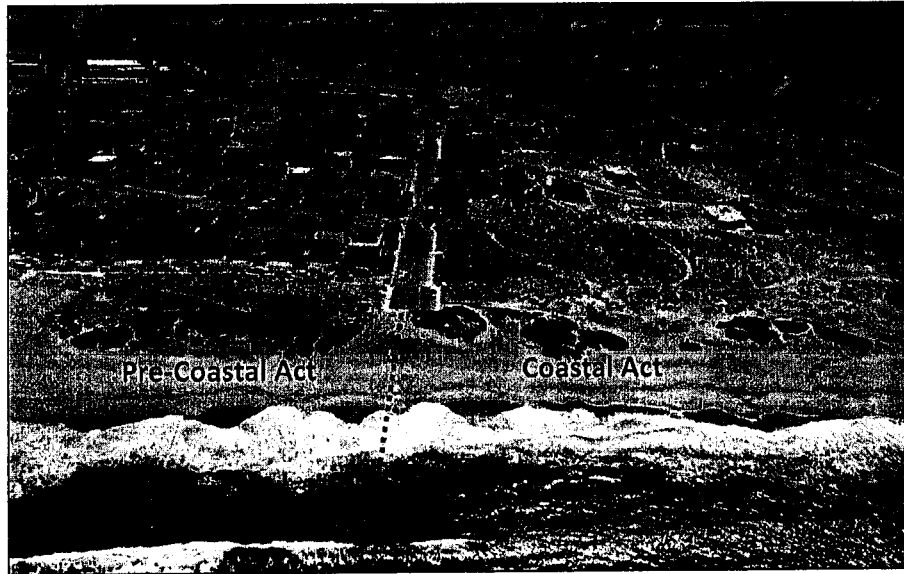
*Protecting Sensitive Biological Resources*

California's coastal zone has many unique habitats and wetlands that harbor species found nowhere else in the world. The Coastal Act protects "environmentally sensitive areas" (ESHAs) "against any significant disruption of habitat values," essentially limiting development within such areas to restoration and nature study (Coastal Act § 30240). It also limits the diking, filling, or dredging of open coastal waters, wetlands, and estuaries; requires that marine resources be "maintained, enhanced, and where feasible, restored"; and specifically calls for the protection of the "biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes" (Coastal Act §§ 30233, 30230, 30231). Over the years the Commission has applied these policies, using best available science, to avoid and mitigate development impacts, and restore sensitive marine and terrestrial habitats and coastal wetlands.

*Using Best Available Biological Science.* The Coastal Act defines "[e]nvironmentally sensitive area" as "any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments" (Coastal Act § 30107.5). With the help of professional staff ecologists, the Commission uses ecological science to identify and protect sensitive habitats that meet this definition. The Commission often draws on authoritative sources, including the California Department of Fish and Game's Natural Diversity Database and identified Rare Habitats, state and federal listed threatened and endangered species, and the California Native Plant Society Rare Plant Inventory, to help determine the critical constituent components of a habitat type or the rarity and value of specific animals and habitats.

The Commission has identified and protected a wide variety of coastal habitats, including those of limited range, such as the Pygmy forest in Mendocino County, habitats with wider ranges but limited occurrence, such as Coastal Terrace Prairie, and areas serving a particular habitat function, such as raptor nesting trees or foraging areas of the white-tailed kite, overwintering trees for the Monarch butterfly, and beaches used for spawning by grunion at certain times of the year. The Commission recognizes certain types of habitat as especially valuable in general but habitat delineations are conducted on a case-by-case basis, using the best available science and field observations. For example, while the Monterey County LCP recognizes central maritime chaparral as a type of ESHA, because of its generally acknowledged rarity, the Commission has applied specific methods for delineating the habitat in the field, including looking to the intersection of soil type, vegetation, and the influence of the fog layer (CCC 2008c).

The Commission has also used ecological science to identify and protect habitats at the landscape or ecosystem level. The Commission's approval of the City of Malibu LCP included an extensive analysis of the Santa Monica Mountains ecosystem facilitated by technical contributions from academic and agency experts. The Commission concluded that the ecosystem as a whole was especially valuable because of its special nature as the largest, most pristine, physically complex, and biologically diverse example of a Mediterranean ecosystem in coastal southern California. The Commission then recognized the functional integration of various vegetation communities, such as coastal sage scrub, riparian woodland, grasslands, and chaparral, and concluded that these habitats ought to be protected as environmentally sensitive areas both in themselves and by virtue of their being part of the ecosystem (CCC 2002a; CCC 2003a). The Commission took a similar "landscape-scale" approach when analyzing a major LCP amendment in Pebble Beach to protect native Monterey pine forest (CCC 2007b).



**Figure 3.** Protecting Dune Habitat. The subdivision on the left is pre-Coastal Act. The Commission approved a resubdivision on the right that relocated and merged 60 existing residential lots into 14 lots at a more inland location, allowing larger but fewer homes and protecting more sensitive habitat (CCC 2002c; CCRP 2013b; Image 201004999, Copyright © 2002–2013 Kenneth & Gabrielle Adelman, California Coastal Records Project, [www.Californiacoastline.org](http://www.Californiacoastline.org); CCC 2002b) (color figure available online).

*Avoiding Impacts and Restoring Sensitive Habitats.* The Coastal Act's habitat (ESHA) policy has been an effective land use tool for protecting coastal habitat where it occurs. The policy is strong (requiring complete avoidance of habitat by most development), and courts have upheld a strict reading of the policy, including by not allowing offsite habitat creation to be used to justify otherwise unapprovable onsite habitat impacts (*Bolsa Chica Land Trust v. Superior Court* 71 Cal. Ap. 4th. 493, 507), and by confirming the Commission's legal obligation to identify ESHA when the Coastal Act definition is met with substantial evidence (*Sierra Club v. California Coastal Com.* (1993) 12 Cal. App. 4th 602). If ESHA is identified on a property, this becomes a critical development planning and site design constraint, as the Commission will require that proposed development not only avoid but be set back away from the habitat area to minimize adverse impacts to the functioning of the habitat. Such habitat "buffers" are typically 100 feet or more, but they can vary depending on the habitat values and other site-specific factors (e.g., CCC 2011a).

In cases where a legal parcel consists entirely of sensitive habitat, there may be a zero-sum conflict between ESHA protection and private property rights (Figure 3). To address these cases the Commission has developed a "takings override" analysis that allows development in ESHA if not doing so would constitute an unconstitutional taking of private property without just compensation. In such cases the Commission will ask applicants to provide specific information about a parcel's chain of title, purchase information, and other details that might speak to the applicant's reasonable, investment-backed expectations for development. The Commission then considers what type and intensity of development maximizes consistency with the habitat protection mandate while still meeting Constitutional



tests (e.g., CCC 2011b). Some certified LCPs, such as the City of Malibu's, also contain a requirement for such an analysis (Malibu LUP Policy 3.10).

The Commission has also furthered our understanding of potential resource impacts in the marine environment, such as how industrial water intakes may entrain and impinge marine organisms. It has used this knowledge to recommend that applicants for desalination plants fully consider alternatives such as beach wells to avoid the adverse impacts of open water intakes (CCC 2004). And the Commission has been a leader in evaluating the adverse effects of underwater noise, such as Navy sonar training exercises and high energy seismic testing, on marine mammals like the gray whale, porpoises, and sea otters, as well as fish, and other marine organisms (CCC 2007c; CCC 2013c).

Finally, the Commission has used restoration science effectively, including developing a detailed condition for authorized habitat restorations that requires identification of baseline conditions, restoration objectives, monitoring, success criteria, and feedback loops to assure restoration success (e.g., CCC 2011a). One of the best examples is the agency's forty-year effort to mitigate the adverse marine resource impacts of the San Onofre Nuclear Generating Station (SONGS) in Orange County, where the Commission required Southern California Edison (SCE) to fund the independent scientific review of the restoration program for the life of the SONGS operation (CCC 2012e; UCSB 2013).

*Protecting Wetlands.* The Commission has also protected coastal wetlands through its LCP actions and hundreds, if not thousands, of permit actions. The Coastal Act defines wetlands broadly as "lands within the coastal zone which may be covered periodically or permanently with shallow water and include saltwater marshes, freshwater marshes, open or closed brackish water marshes, swamps, mudflats, and fens" (CCA § 30121). Notably, the Coastal Act regulations establish a "one-parameter" definition of wetlands that only requires the presence of one of the three typical wetland indicators—hydrology, soils, or vegetation—in order to delineate a wetland (CCR Title 14, § 13577). In contrast, the federal Army Corps of Engineers method requires the presence of all three wetland parameters. Drawing on wetland science from the Corps, Environmental Protection Agency (EPA), and many other sources, the Commission's staff ecologists have become leading experts in wetland delineation methods, partly out of necessity, due to the complex field conditions and history of disturbance often found along the coastal terraces of California (CCC 2011c).

It is not uncommon for the Commission's planning and regulatory actions to result in significantly greater protection of wetlands and wetland transitional zones than the more common 3-parameter approach because the 1-parameter definition tends to protect wetland habitat further along the moisture gradient (i.e., less wet areas). For example, in the review of a major campus development plan for the University of California at Santa Cruz, the Commission was tasked with identifying and protecting wetlands on a coastal terrace with a history of farming. The Commission worked closely with the University to conduct original field work and analysis that ultimately resulted in the identification of both more "three-parameter" wetlands recognized by the Corps and EPA, and more wetland areas that met the Commission's definition. These wetland areas were then buffered and helped to determine the overall approved development footprint (CCC 2008b).

In southern California, the Commission has worked hard to protect the major coastal lagoon and estuarine systems. For example, the Commission used rigorous permitting and LCP planning to protect the wetlands and watersheds of San Elijo and Batiquitos Lagoons in San Diego County by avoiding the fill of wetlands and by limiting new development on surrounding, naturally vegetated slopes to address erosion and protect coastal sage scrub

habitat and scenic views (CCC 1981). This work resulted in significant dedications of open space and ultimately strong LCP policies for Batiquitos and other lagoons that enabled the Commission to at least hold the line on further degradation of wetland resources in the face of incredible development pressures.

Also in southern California, the Bolsa Chica story in Huntington Beach illustrates how the law itself has been a driving force in the successful protection of wetlands. In 1996 the Commission approved an LCP that allowed significant residential development that would have filled up to 120 acres of wetlands. This approval was challenged by the Bolsa Chica Land Trust, which ultimately prevailed in the now seminal case of *Bolsa Chica Land Trust v. CCC*. As noted earlier, this case established the clear legal principle that the Coastal Act required the protection of identified ESHA *in situ*, and that offsite mitigation could not be relied on to find a development plan consistent with the Act. Similarly, the case established that wetlands had to be avoided and protected in place absent an overriding Coastal Act basis for allowing their fill and removal, such as a finding that the fill was a permissible use.

Following the Bolsa Chica decision and remand by the court, the Commission identified much of Bolsa Chica as ESHA, including because of the presence of the sensitive southern tarplant, wetlands, and shorebird habitat, and then limited residential development to the upper bench of the Bolsa Chica mesa (CCC 2000b; CCC 2005b). By 2006, a major restoration effort was well underway and Bolsa Chica has since become the site of one of the largest and most successful wetland restorations in California. Seventy percent of the Bolsa Chica mesa has been preserved as upland habitat to complement the adjacent 1,200-acre restored Bolsa Chica Lowland ecosystem.

As with all of its mandates, the Commission's responsibility to protect and restore wetlands is on-going, and requires monitoring of local development proposals to assure that the protective policies of certified LCPs are followed. Very recently, for example, the Commission denied, on appeal, a locally approved subdivision for 19 single family homes in part because of impacts to sensitive wetlands and upland lagoon habitat, including wildlife corridors, from the location of the development next to Batiquitos Lagoon, and because a smaller alternative with fewer impacts was feasible. As Coastal Commissioner Stone observed at the time, this action was a very good example of why the Commission exists and its important on-going role to enforce and protect coastal resources of statewide significance (CCC 2011d). The Commission's denial was recently upheld in courts (*Westbridge Capital, LLC v. California Coastal Commission*, San Diego County Superior Court Case No. 37-2011-00053099).

### Understanding Success, Challenges Ahead

The last two sections attempt to convey a broad appreciation of California's coastal management success. The original statutory goals of the BCDC, Coastal Commission, and State Conservancy have been well met and California has built a generally effective, integrated intergovernmental system of governance. This section briefly discusses some of the factors underlying the Coastal Commission's success, the understanding of which may prove useful in improving coastal management generally. The section also identifies some of the critical challenges ahead that will need to be addressed to continue this success.

#### *Understanding CZM Success through the Coastal Commission Experience*

There are no doubt many factors underlying the Coastal Commission's success, but seven stand out. First and foremost, the Coastal Act is a strong law. It includes directive policies

to concentrate development, assure public access, provide for high priority land uses, and protect habitats, wetlands and other coastal resources. Second, the Commission has forcefully implemented these policies through development regulation, LCP planning, and appellate oversight of local permitting, thereby establishing clear modes and expectations for compliance with state law.

Third and related, because the Commission (and its staff) is independent of any single administrative political authority, implementation decisions are guided by the application of Coastal Act policies to specific facts and planning contexts by the Commission as a whole. This administrative independence of the Commission was strengthened in the last decade following a “separation of powers” challenge to the Commission’s appointment structure, which resulted in the eight legislative appointments to the Commission being changed from “at will” to fixed four-year terms (see *Marine Forest Society v. California Coastal Commission* 36 Cal. 4th 1).

Fourth, the Commission has a highly mission-driven staff that provides the Commission with independent, best professional recommendations. Many of the staff started working under Proposition 20 and continued well into the 1990s, some even to today; they well understood and carried the Prop 20/Coastal Plan vision forward into implementation of the Coastal Act. Staff that have joined the program since are generally drawn to professional public service and the values of the Coastal Act. And of course the late Peter Douglas, the long-time executive director of the Commission (1985–2011) to whom this journal issue is dedicated, was involved with the program from the beginning. Deeply admired by many, his charismatic, sustained leadership was unquestionably important to the continuity and success of the coastal program since 1972.

Fifth and related, the Commission effectively uses sound planning, best available science, and rigorous legal analysis to implement the Coastal Act. This derives partly from the Coastal Act itself, which both provides for the implementation of statewide policy through comprehensive land use planning and regulation at the local level (LCPs) and embraces the use of sound science (CCA §§ 30006.5; 30335.5). As shown in the case examples, the Commission has used scientific rigor, cumulative impact analysis, and multiple planning and regulatory techniques, to achieve its goals. And because it is a quasi-judicial body, and has been sued quite regularly, the Commission has developed a strong legal capacity, working with the Attorney General’s office, to support and defend its actions, and address challenging areas of land use law, such as takings jurisprudence. It has done so through both context-sensitive “policymaking” in LCP actions and case-by-case regulatory decision-making, in almost common-law fashion.

Sixth, while there is no doubt that the Commission has been politically controversial over the years, the coastal program has enjoyed broad statewide support for strong coastal management (PPIC 2006; PPIC 2003). The public also has a right to participate in the Commission’s work, recognized throughout the Coastal Act (CCA §§ 30006; 30317; 30320; 30339; 30500; 30503). Public participation in Commission hearings is an important force, especially for large, controversial projects, when literally hundreds of citizens may speak to the Commission and thousands of comments are received. Also, all of the Commission’s deliberations must be in public, and any substantive ex parte discussions between Commissioners and stakeholders must be placed in the public record (CCA § 30322–24). The public’s ability to seek judicial review of the Commission’s actions, such as in the *Bolsa Chica* case, also has shaped Coastal Act implementation.

Finally, the integration of the Commission’s work with local government, other state and federal coastal management agencies, and the many NGOs and citizen activists in California, has been essential to its success. The Commission’s partnership with local

government and the LCP program is most important. National leadership and support from NOAA's CZMA program, including federal consistency review authority, have also been important. Nor would public access and recreation be fully realized without the complementary work of the Coastal Conservancy, State Parks, and Caltrans. Similarly, much of the coast would not be protected but for the critical role of many land trusts in acquiring, conserving, and managing sensitive coastal lands.

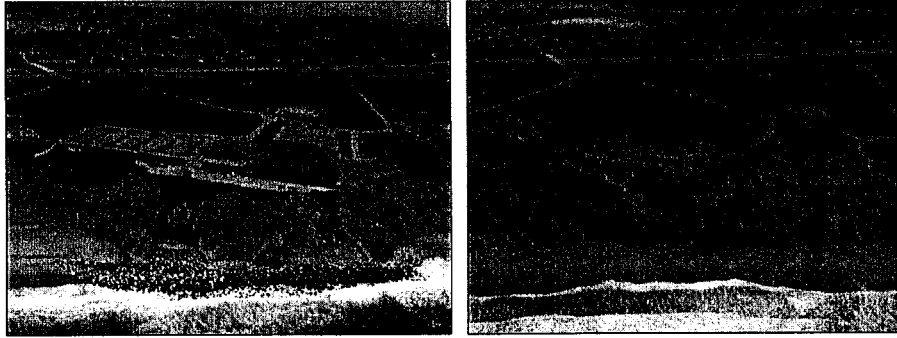
### ***Policy Challenges Ahead***

The California CZM program has much to be proud of, and together the core reasons for the Commission's success provide an essentially sound institutional framework for continued effective coastal management. But coastal management is a dynamic field, and there are many challenges ahead. Some are policy challenges where the CCMP has had more limited success, such as affordable housing. Although the Coastal Act originally included a requirement to protect affordable housing and the Commission began to implement the provision by requiring the construction of affordable units, the legislature removed this mandate in 1981 (CCC 2002d; Johnston et al. 1990; also, Kahn et al. 2010). More fundamental, though, California projects more than fifteen million new residents by 2060, so the demand for public access, and the need to manage development generally, will continue (CDF 2013).

Marine resource management also continues to evolve. In the last decade, California has created an Ocean Protection Council to better coordinate state efforts to protect ocean and coastal ecosystems (CA Pub. Res. Code §§ 35500–35650). Most recently, the state completed a system of 119 distinct marine protected areas encompassing approximately 5,285 square miles (16%) of state coastal waters, including some “no take” areas, to protect marine life and habitat (CNRA 2012). But there is considerable work ahead to address difficult issues such as protecting marine habitat while supporting coastal economies, addressing new industrial technologies including wind and wave energy and demand for desalination, and grappling with ocean acidification caused by climate change.

Climate change, of course, is perhaps the greatest policy challenge facing all coastal managers. In California, global sea-level rise and an increase in the frequency and intensity of extreme events will threaten shoreline development, critical infrastructure, public beaches and recreation, and sensitive coastal ecosystems. A recent NAS report concludes that sea level may rise in California by up to 1.67 meters by 2100 depending on the specific location. A recent NOAA report affirms these projections (NAS 2012; NOAA 2012). Unfortunately many developed shoreline areas grew quickly in the post–World War II construction boom that also coincided with a “cool period” of the Pacific Decadal Oscillation from 1945 to 1977, meaning that substantial development was located in places that may have seemed “safer” due to the relatively calmer weather with fewer large storms (Griggs 2010, 67). Therefore, the state's on-going management of already-developed yet inherently hazardous places along the shoreline will only become more challenging.

To respond effectively to the sea-level rise along California's open coast, the state and local communities will need to invest in new LCP update planning, and identify, adopt, and implement effective adaptation strategies for existing development, critical infrastructure, and coastal resource protection. In the meantime, the Commission will need to continue to work with local governments and project applicants to address this issue when opportunities arise, using the best tools available. For example, the Commission has been using a “no future seawall” condition to require homeowners to internalize the true risk of bluff-top development and thus encourage its “planned retreat” over the long run (CCC 2008d). The



**Figure 4.** Restoring beaches: The Commission required the removal of the revetment when the Army demolished Stilwell Hall at Fort Ord in Monterey County. The beach, and lateral access along it, was quickly restored once natural shoreline forces were again allowed to work (CCRP 2013c, Images 13570 and 200805594, Copyright © 2002–2013 Kenneth & Gabrielle Adelman, California Coastal Records Project, [www.Californiacoastline.org](http://www.Californiacoastline.org)) (color figure available online).

Commission has also required in-lieu sand-supply mitigation fees for shoreline structure impacts, and even used economic and social science techniques to evaluate and mitigate the impacts of seawalls on beach recreational values, in one case requiring a \$5.2 million impact fee for a seawall in Monterey that will be used to purchase other beachfront lands for public access and recreation (CCC 2005c). The Commission is also working with Caltrans on the planned retreat of Highway One, including in San Luis Obispo and San Mateo Counties (Figure 4).

### *Governing Capacity*

There are some critical weaknesses in California's coastal management governing capacity. Adjusted for inflation, the Commission's general fund budget is less than half of what it was at the peak of LCP planning in the early 1980s (CCC 2013d). The number of planning staff is at least one third less than in 1981 and the fiscal crisis of recent years has limited the prospects for increased funding to the Commission. As for the Coastal Conservancy, new bond or other monies will be needed to continue its success in funding acquisitions, restorations, and other resource enhancements such as facilitating planned retreat along eroding shorelines. And even more telling of current fiscal challenges, the state is struggling simply to keep existing coastal parks open, which is placing ever more stress on the political system as agencies seek ways to increase revenues for park management, including through sometimes controversial increased user fees (*Santa Barbara Independent* 2012; *Sonoma West Times and News* 2012).

Inadequate funding of the Coastal Commission has taken its toll. Permit processing may be delayed and critical tools to support effective management, such as robust information technology, are sorely lacking. The Commission has a backlog of more than 1,750 enforcement cases (CCC 2012f, 16). But the detrimental effects of chronic underfunding have been greatest in the LCP program, where a deep frustration among local governments has emerged, particularly around the challenges of amending and updating LCPs (CCC 2012g). LCPs are living planning documents, and the Commission processes an average

of 60 LCP amendments a year. Inadequate planning resources, though, including at the local level, has made it extremely difficult to process LCP amendments in a timely and deliberative fashion. This has only increased conflict and made it even more difficult to manage the inherent tension in the Coastal Act's mandate to implement statewide interests through local land use decisions.

In addition, one of the great weaknesses of the Coastal Act is the lack of required LCP updates. Many LCPs are now decades old, and even those more recently amended may not have adequate measures to address changed circumstances or new management issues. LCPs generally do not address climate change, including the need for updated coastal hazard mapping and policies and community adaptation planning. Nor do they typically provide for mixed use or transit-oriented development and other measures to promote smart growth and greenhouse gas emission reductions. LCPs also need to be updated to address new knowledge about coastal habitats, tsunami and seismic risks, and evolving industrial technologies such as wind and wave energy and desalination. Some needed updates are broadly relevant, such as providing for the California Coastal Trail. Others may depend on regional and local context, such as the need for updated supply and demand analyses of visitor-serving amenities.

Inadequate resources for accomplishing comprehensive LCP updates has led to more project-driven plan amendments and piecemeal decision-making, which in turn has only increased conflict and the likelihood of poor resource management, often undermining the larger public interest in effective coastal management. Many local governments, though, recognize the need for updated LCPs and they are looking for a more collaborative LCP update process that gives them confidence that their concerns will be heard and timely considered by the Coastal Commission. But effective collaborative planning requires early and frequent interactions between state and local staff, decision-makers, and the public. This is precisely what the early investment in the coastal program and LCP planning provided, particularly federal funding. (Between 1977 and 1992 the Commission gave out more than \$12 million in LCP planning grants to local government).<sup>5</sup>

### **Conclusion: A Commitment to Managing the Coast**

Despite many challenges, the Commission, local government, and the public have been able to respond to new coastal management demands, and reach agreement on complex planning and development matters, particularly when commitments can be made to early, collaborative planning. In 2002, for example, the Commission successfully certified the City of Carmel LCP after a multi-year collaborative planning process that resulted in only three or four specific issues needing resolution by the time of the Commission's public hearing (CCC 2003b). In 2012 the Commission unanimously approved, without any changes, an updated LCP for Del Monte Forest that resolved a long-standing conflict between development of remaining Pebble Beach Company-owned lands and protection of sensitive habitat (CCC 2012d). Likewise, the Commission approved the Chula Vista Master Plan in San Diego County, providing for substantial redevelopment on shorefront lands while protecting wetlands and providing for significant public access improvements (CCC 2012h). In each of these cases there was near universal commitment to and support for collaborative planning and, importantly, respect for and a willingness to work within the basic policy requirements of the Coastal Act.

When the CZMA, Proposition 20, and the Coastal Act were passed, people understood that uncoordinated, decentralized, and locally and market-driven development decisions

were undermining the larger public interests in coastal management, public access, and resource protection. Forty years later, it is clear that strong statewide coastal management can go hand-in-hand with economic success, and many people now understand that in fact they are integrally related. The multi-billion-dollar coast and ocean economy in California is a testament to this fact. But the many achievements made thus far along the California coast are only as lasting as the shared commitment to both maintaining the plans, policies, and legal agreements upon which they are built, and finding the resources necessary to adequately support working together on new challenges. People will continue to want to live and develop along the coast; the pressure to grow is relentless. As Peter Douglas always said, “the coast is never saved, it is always being saved.” New investment in coastal management at the national, state, and local level is needed to heed his call and continue the success and positive impacts of the California program.

## Notes

1. Under the Coastal Act, the regional Commissions were to be phased out coincident with the expected approval of Local Coastal Programs (LCPs) and the delegation of permit authority to local government (see discussion following).
2. These are the cities of Fortuna, Seaside, Monterey, Pacific Grove, Goleta, Los Angeles, Santa Monica, Hermosa Beach, Torrance, Seal Beach, Costa Mesa, Newport Beach, Aliso Viejo, San Clemente, and Solana Beach.
3. For a lively account of how California first used federal consistency review to promote its new management objectives, see “Pushing the CZMA Envelope” in this issue.
4. For a detailed account of the epic political battle that led to this Supreme Court case, see “CZARA of 1990: A Critical Time for Coastal Management” elsewhere in this issue.
5. Pursuant to 16 USC 1455, NOAA has capped federal funding for individual state programs at \$2 million, meaning that federal funding has essentially been static while costs continue to rise, further limiting management capacity.

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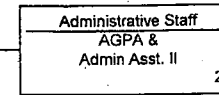
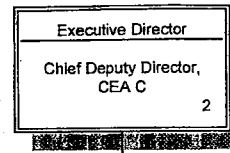
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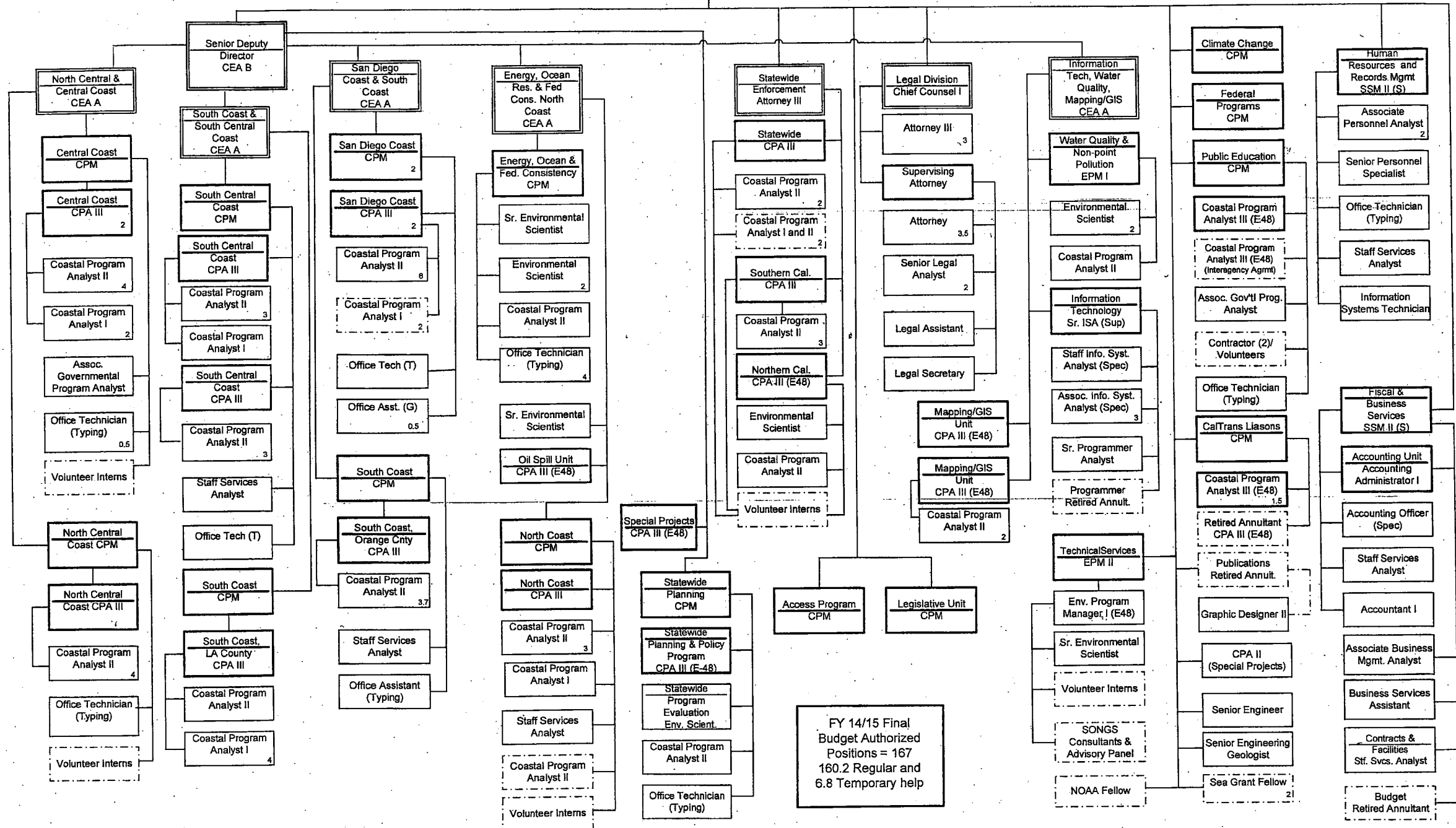
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# CALIFORNIA COASTAL COMMISSION

May 2015  
ATTACHMENT G



*Charles F. Lester*  
Charles Lester, Executive Director



## Attachment H

# Coastal Climate Adaptation

**BACKGROUND:**

**Sea Level Rise in California.** According to the Administration, climate change in California during the next century is expected to shift precipitation patterns, accelerate sea level rise and increase temperatures. The country's longest continuously operating gauge of sea level, at Fort Point in San Francisco Bay, recorded a seven-inch rise in sea level over the 20<sup>th</sup> century. As has been seen throughout the country such as with Hurricane Sandy, as well as the recent "king tides" (very high tides) in Southern California, much of the developed California coast is susceptible to the impacts of sea level rise. In recent events, high tides inundated parts of the Pacific Coast Highway, Huntington Beach, and other low-lying areas of Southern California. Parts of the San Francisco Bay Area also experienced flooding, including portions of Highway One in Marin County. These very high tides are considered a good indicator of the possible impacts of sea level rise and create challenges for local planners and developers in low-lying areas.

**Administration Efforts for Climate Adaptation.** In 2008, Executive Order (EO) S-13-08 called on state agencies to develop California's first strategy to identify and prepare for expected climate impacts. The EO focused on the need to understand and improve how sea level rise projections would impact the state's coastal and low-lying areas. The EO required the California Natural Resources Agency (CNRA) to develop a Climate Adaptation Strategy with various state agencies through the established Climate Action Team. These efforts were designed to be complementary, but not duplicative, of the state's strategy for reducing greenhouse gas (GHG) emissions. The Office of Planning and Research, in conjunction with CNRA, was required to provide land-use planning guidance related to sea level rise and other climate change impacts.

The state subsequently undertook two new climate change assessments (a previous assessment, in 2006, examined the broad impacts of climate change on California's assets). The first assessment, completed in 2009, attempted to provide initial economic impacts of climate change. It concluded that preparing for climate impacts, in addition to efforts to reduce GHG emissions, could substantially reduce California's risk of economic losses and damages. The second assessment, completed in 2012, focused on vulnerability and adaptation discussed in the 2009 Climate Adaptation Strategy (described below). This assessment focused more specific types of response needs related to ground exposure, sensitivity, and natural and human systems.

**Climate Adaptation Strategy.** The California Energy Commission (CEC) has taken the lead in developing the climate assessments and adaptation strategies for the state, through use of the Public Interest Energy Research (PIER) program. The CEC and CNRA have used this research to develop an Adaptation Planning Guide (APG), a decision-making framework intended for use by local and regional stakeholders to aid in the interpretation of climate science and to develop a systematic rationale for reducing risks caused, or exacerbated, by climate change. The CEC and CNRA have also released Cal-Adapt, a web-based tool which enables city and county planners, government agencies, and the public to identify potential climate change risks in specific areas throughout California.

#### **MULTIPLE STATE AGENCIES INVOLVED WITH COASTAL CLIMATE ADAPTATION**

In addition to the state agencies previously mentioned (CEC, CNRA and Office of Planning and Research), several other state agencies have primary roles in the assessment and planning for coastal climate adaption. Below are four primary state agencies responsible for addressing aspects of sea level rise on the coast.

**State Coastal Conservancy (SCC).** The SCC's Climate Ready program provides a focus for the state's work protecting important coastal resources and habitats from the current and future impacts of climate change. The SCC is collaborating with local partners and other agencies to reduce greenhouse gas emissions and prepare coastal communities. SB 1066 (Lieu), Chapter 611, Statutes of 2012, gave the SCC explicit authority to work with its partners on projects to address the effects of climate change on coastal resources along the coast and within the San Francisco Bay Area, including those that:

- prepare our communities for extreme weather events, sea level rise, storm surge, beach and bluff erosion, salt water intrusion, and flooding;
- address threats to coastal communities, natural resources and infrastructure; and,
- reduce greenhouse gas emissions.

**Bay Conservation Development Commission (BCDC).** BCDC staff has taken a lead in developing an Adaptation Assistance Program (AAP) to provide information and resources to Bay Area local and regional governments to assist them in planning for, and adapting to, the impacts of a changing climate. These outreach efforts primarily focus on addressing the needs of land use planning, public works, park and open space districts, flood control districts and wastewater authorities, as well as resource-based managers.

The AAP aims to help San Francisco Bay Area communities achieve coordinated and region-wide adaptation to climate change impacts by building capacity within local governments to assess climate change issues, and to plan for and implement adaptation strategies.

BCDC has identified five broad program components for accomplishing this objective:

- building partnerships that cut across jurisdictional boundaries, both geographic and sectoral;
- public outreach to build community and institutional support for adaptation planning;

- education to help planners and managers develop knowledge and skills for adaptation planning;
- creation of a “one-stop shop” website and information clearinghouse; and,
- development and dissemination of strategies to improve the region’s resilience and adaptive capacity.

**State Lands Commission (SLC).** The SLC provides stewardship of state lands, waterways, and resources through economic development, protection, preservation, and restoration. The SLC also manages state oil and gas leases in coastal areas, including offshore oil platforms, for which it receives royalties from the sale of the produced oil.

According to the SLC, sea level rise resulting from climate change is an issue that has far reaching consequences for California, including the lands under the jurisdiction of the SLC. Lands within the SLC’s jurisdiction and adjacent properties are already vulnerable to a wide range of naturally occurring events, including storms and extreme high tides. While some of these lands remain undeveloped, significant portions of California’s shoreline areas have been developed, including areas either pursuant to a lease from the SLC or pursuant to authorization from local government trustees of state tide and submerged lands. The SLC has an important role to play in addressing the issue of sea level rise and assuring that those decision-makers involved in proposed and existing development on the state’s Public Trust lands consider the impacts of sea level rise.

**California Coastal Commission (CCC).** The CCC is the primary state agency responsible with administering the 1976 Coastal Act. The CCC, in partnership with coastal cities and counties, plans and regulates the use of land and water in the coastal zone. Development activities, which are broadly defined by the Coastal Act to include (among other things) construction of buildings, divisions of land, and activities that change the intensity of use of land or public access to coastal waters, generally require a coastal permit from either the Coastal Commission or the local government.

Land use planning in the coastal zone, as in the rest of the state, is the primary responsibility of local governments. However, the Coastal Act imposes a number of requirements on land use in the coastal zone. Most significantly, the act requires local governments to adopt Local Coastal Programs (LCPs) to govern development of land in their jurisdictions that lie within the coastal zone.

In preparing to develop LCPs, many local governments have chosen to divide their coastal zone territory into several segments. This is done when a local government’s coastal jurisdiction encompasses several distinct regions with different land use issues. A separate LCP is developed for each coastal segment. There are currently 128 coastal segments within the 76 coastal cities and counties. A LCP must contain: (1) a land use plan, and (2) zoning ordinances to implement the land use plan. In general, LCPs must be designed to ensure maximum public access to the coast, provide recreational facilities, protect the marine environment, and otherwise promote the goals and objectives of the Coastal Act.

The Coastal Commission reviews and certifies LCPs for conformity with the act. As originally passed, the act required all local governments in the coastal zone to have submitted LCPs to the CCC by January 1, 1980. However, this deadline has been extended several times, and today some jurisdictions still have not submitted LCPs to the commission.

The Commission's status of LCP review includes:

- 92 LCP certified segments.
- 79 of 92 certified LCP segments (86 percent) were certified more than 20 years ago.
- 24 of 92 certified LCP have been comprehensively updated.

## COASTAL COMMISSION ROLE IN SEA LEVEL RISE PLANNING

**Updating Local Coastal Plans.** The CCC has maintained a steady budget over the past several years but has struggled to make progress in updating LCPs. There are many reasons for this including: (1) funding has not been available to assist local jurisdictions in updating their coastal plans; (2) some locals are reluctant to take back coastal permitting and prefer to have the state provide this service; and, (3) recent local funding issues have, as with other areas of government, reduced their ability to do forward-thinking planning.

Sea level rise has added urgency to the issue of outdated, incomplete, and uncertified LCPs. Local planning and preparation are critical if the state is to maintain its coastal development zones and prepare for possible inundations. Creating a local plan is part of every coastal jurisdiction's responsibility, in order to determine how to preserve life and property along the California coast.

In the current year budget, the CCC received \$3 million (General Fund) to update and improve LCPs relative to sea level rise. Given the number of outdated and inadequate LCPs (again, relative to sea level rise), the CCC was charged with providing locals with the funding necessary (within budget constraints) to begin to shift the CCC's role away from providing direct permitting for 36 local jurisdictions, to its intended role of an appellate function for coastal land use decisions. At the same time, the CCC was asked to provide local assistance (\$1 million of the \$3 million), to provide locals with funding to update their LCPs, mainly for sea level rise and climate adaptation.

## REVENUE OPTIONS FOR FUNDING COASTAL CLIMATE ADAPTATION

**Tidelands Oil Revenue.** As previously discussed, the SLC receives royalty revenues from oil extraction activities on state tidelands. SB 271 (Ducheny and Thompson), Chapter 293, Statutes of 1997, established the principle that royalty revenues received by SLC from oil extraction activities should be dedicated, in large part, to various coastal and natural resources protections that benefit the entire state. Through subsequent legislation and budget actions, the Legislature funded various programs through the Resources Trust Fund (RTF) including marine management, natural resources infrastructure, and State Parks deferred maintenance. In 2002, the budget proposed eliminating the current statutory requirements for distributing tidelands oil revenues to various special funds to fund resource activities.



As a separate issue, a lawsuit between the state and the City of Long Beach required the City to direct funds to a Tidelands-related fund, the Oil Trust Fund, per PRC §6217.8. This fund is intended to be an abandonment reserve fund, for use when the oil production comes to an end. The maximum amount to be deposited into the fund was established at \$300 million, with continued funding to be deposited as Tidelands Oil revenue and (per current law), deposited into the General Fund. The Trust Fund has reached its maximum and therefore up to \$2 million per month is now being deposited into Tidelands Revenue that had not been available prior to 2013.

**SB 461—An Opportunity for Improved Funding.** The Legislature, in 2013, considered SB 461 (Leno), a bill to redirect SLC Tidelands Revenue to sea level rise adaptation activities. According to the committee analyses, this bill would begin to restore the principle that tidelands revenues should be used to fund activities that benefit the environment. As an example, the bill would help state agencies encourage local governments and other entities, responsible for planning under the Coastal Act; to develop and adopt updated plans that conserve and protect coastal resources from future impacts from sea-level rise and related climate change impacts such as extreme weather events. The bill was held in Assembly Appropriations.

#### GOVERNOR'S PROPOSAL:

**Coastal Commission Funding Missing.** The Governor's budget does not renew the \$3 million (General Fund) funding for the CCC's local coastal plan updates. While funding was included on a one-time basis in the current year, the expectation was for this proposal to carry forward should the need continue. With that in mind, the CCC both administered the \$1 million in grants to local agencies and conducted permanent hires to the Commission's staff to keep up with workload associated with the increased turnover of LCPs.

**Fourth Climate Change Assessment Proposed.** The Governor's budget requests \$5 million (one-time, Environmental License Plate Fund) and one position at the CNRA, to carry out a fourth climate change assessment. The majority of funds are proposed to be used for research contracts to conduct the scientific research needed for the assessment. The assessment, similar to the three previous, would continue to generate data and information needed to support continued climate policy development, planning, and implementation efforts at the state, regional, and local level. The intent is to ensure that efforts to foster resilient communities and businesses are informed by the best available science.

#### ISSUES FOR LEGISLATIVE CONSIDERATION:

**Why Cease Funding for Sea Level Adaptation?** During budget hearings in 2013, and in review of the many efforts of the Administration related to climate adaptation, it became clear that the local coastal areas are not only the most vulnerable to sea level rise, but many are woefully behind in their Coastal Act-mandated local coastal plan updates. No one is more appropriate to address sea level rise than the locals themselves, as established in the Coastal Act. The statewide impact of these plans is necessarily subject to CCC review.

The Administration's efforts, to date, have focused attention on the impacts of sea level rise and the economic impacts of loss of infrastructure in coastal areas. Science has already established the trend toward sea level rise, and the impacts of recent king tides have documented the cost of such a change on local infrastructure. The lack of continued funding for the update of LCPs seems shortsighted given that \$5 million would be directed to conduct further scientific studies of climate change.

The Legislature should consider re-establishing funding for the CCC, for a specific period of time, to provide locals with the funding necessary to create or update their LCPs. This funding should be temporary and fit the current model for grants to locals as established by the Commission, with an emphasis on adaptation to sea level rise.

The Legislature should also consider ongoing funding to the CCC for review and update of these plans. The CCC holds a special expertise in the development of local coastal plans and works in conjunction with local agencies to ensure that their plans meet state law and standards. Without the necessary funding for this effort, LCPs will not be updated in a timely manner.

**Is it Time to Revisit Tidelands Oil Revenue Allocations?** In 1997, when the Legislature first established the principle that Tidelands Oil revenues should be allocated to natural resource and coastal activities, the royalties totaled a little over \$50 million. Today, due mostly to the price of oil, these funds bring between \$250 and \$350 million to the General Fund annually. Since 2006, all of the Tidelands royalties have been directed to the General Fund, in part for budget balancing. The addition of funds that have been directed to the Oil Trust Fund (related to the City of Long Beach abandonment reserve fund, now capped), are now included in the Administration's revenue estimates for Tidelands Oil.

Given the need for dedicated funding for sea level rise and adaptation, the Legislature should consider appropriating funding from Tidelands Oil to natural resource and coastal-related needs. Consistent with the Administration's Climate Action Strategy, it would seem that providing a dedicated funding source for coastal preparedness would be an appropriate state strategy to deal with sea level rise. A portion could be dedicated to local infrastructure, but a second subset should be directed to protect state-owned and managed assets such as roads, highways, state parks, water systems, ports, and other critical infrastructure.

**Should Environmental License Plate Funds (ELPF) be Used for Climate Strategy?** The Governor's proposal to spend \$5 million from the ELPF for the CNRA's Climate Adaptation Assessment should be reviewed. The ELPF was designed to fund state environmental education efforts that have, to date, been funded with a variety of recycling funds and other environmental fees. The ELPF traditionally has been stretched thin, due to its use as baseline funding for the State's conservancies and various other environmental programs.

The Legislature should consider using a more appropriate fund source, such as Tidelands Oil revenues or cap and trade funding, for future climate assessments. This would allow the Legislature the option to consider other purposes for the ELPF, that can not to be funded by Tidelands Oil, such as conservancy projects, environmental education, and other programs.